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# **West Europe Report**

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21 November 1983

## WEST EUROPE REPORT

No. 2236

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## DEFENSE MINISTER ENGELL ON EUROMISSILES, GENEVA TALKS

Copenhagen INFORMATION in Danish 15-16 Oct 83 p 6

[Interview by Jørgen Dragsdahl]

[Text] Defense Minister Hans Engell does not share the fears of the political costs of the dispute on missiles previously expressed by, for example, Lasse Budtz, Social Democrat, and the chairman of the Central Association of Regulars, Svend Erik Larsen.

They have pointed out that the support of the Danish Armed Forces within the population and the support of the NATO membership have been threatened. Hans Engell, however, says that "NATO has not paid a political price--not yet."

"There is no direct connection between the problems of nuclear weapons and the Danish defense. The parties to the defense compromise still recognize their responsibility," Hans Engell says.

The defense minister says, however, that the need for new American nuclear missiles in Western Europe has not been explained adequately, and in an interview, lasting for 1 hour, he offered his explanation why the deployment is necessary. An excerpt is printed below.

#### Nuclear-free Zone

Several other security policy subjects were discussed briefly. The chairman of the Social Democratic Party, Anker Jørgensen, has stated that Denmark "under no circumstances" must have nuclear weapons within its area. The Socialist People's Party and the Left Socialist Party have subsequently raised a debate of questions the result of which may be that the Folketing will forbid all use of nuclear weapons from Danish territory, actually a nuclear-free status also in times of war. Hans Engell does not find that such a "unilateral Danish step" will benefit the security and the East-West balance. "It will be an unfortunate decision" because the step is taken without taking into consideration the more comprehensive contemplation of the establishment of nuclear-free zones.

Nor does the minister understand the proposal from a number of former military people in the United States and Western Europe on relinquishing first use of nuclear weapons in the defense.

The threat that NATO may react to a conventional attack by means of nuclear weapons is "part of the deterrent on which the cooperation of the alliance is based, and I do not find that better ideas have been developed." He states that, from the Danish side, the said proposal and its consequences have not been analyzed.

The interview on the need for new American nuclear missiles went as follows:

#### Western Europe

#### Increased Security

[Question] How will 572 new American missiles strengthen the security of Western Europe?

[Answer] One should not look at the number. That is not what the question is about from the security point of view. It is a question of security both politically and militarily, on all levels. NATO's credibility must be present politically and militarily on all levels.

In the West, we must have a military potential matching the one existing in the East. That is one aspect of it. The other aspect is the political aspect, which, of course, also has a military aspect, viz. all of the problems of coordination in relation to the United States. In addition, 572 is not any final figure. They are now carrying on negotiations down in Geneva, and we shall, in any circumstances, have to trust that the negotiations will have a result, whether it happens on this side of the start of the deployment or afterwards.

[Question] Why is it important to have weapons matching what they have on the other side?

[Answer] It is a question of establishing the credibility of NATO at all levels, whether we look at the conventional or nuclear weapons.

[Question] Why does it increase with such missiles?

[Answer] It is not a question of increased credibility. The thing is that NATO's two-track decision was made after a period of a quite vast build-up on the part of the East. The decision was made because they wanted to interrupt this development.

[Question] Of course, the decision is not necessarily either right or wrong, so why is it necessary to match?

[Answer] Because it is a question of adequate deterrent and credibility on NATO's defense side.

#### Greater Credibility

[Question] Why is this credibility affected by our matching their systems?

[Answer] It increases because we thereby match a weapons system which the Russians have built up and continue to build up, the SS-20s.

[Question] Does that mean that we have to match every Soviet weapons system?

[Answer] No, it does not mean that we have to have a soldier for each soldier, a tank for each tank, or that the number of missiles will have to be the same. In my opinion, that is not decisive. The decisive thing is that we together have such a credibility that the deterrent effect becomes adequate, so that we may thereby prevent a war.

[Question] I do not, for example, question the credibility of NATO, and there are lots of people whose uniforms are studded with stars who do not do it either. Why is this credibility affected?

[Answer] Because we have seen the development of a nuclear system, the SS-20 missiles, which we do not have at our disposal, and that is why an imbalance has been created, which we in Western Europe, of course, have been watching with anxiety. That was the background to the two-track decision made in 1979 by the governments at the time.

#### New Situation

[Question] Why do the SS-20s create a new situation compared to the SS-4s and the SS-5s which have been threatening us for a long time?

[Answer] First, because their capacity is considerably larger. They are missiles with three warheads and mobile systems.

[Question] What does that mean to Europe?

[Answer] It means that it is a question of a threat, an enormous threat, which we, of course, cannot allow, and which could not be allowed to develop without a countermove being made.

[Question] Why is this threat larger than the SS-4s and the SS-5s?

[Answer] Because, as said earlier, it is a question of far more advanced weapons systems?

[Question] What is the practical significance of that; they might, of course, also have a far more advanced color?

[Answer] The practical importance is that there is a major difference between a system with a warhead of an older date and a new advanced system with three warheads.

[Question] What is the difference?

[Answer] The difference is one compared to three warheads and also the number.

[Question] Well, but we have experienced as many as approximately 750 warheads on SS-4s and SS-5s, which each had an explosive force of 1 to 5 megatons, thus far more than the SS-20 force?

[Answer] That is true, but these thus have greater precision.

[Question] Why is the precision important in connection with Europe?

[Answer] Because it is a question of being able to hit a larger number of centers at the same time with the same weapon. However, as far as we are concerned, the decisive thing is that the deterrent is sufficiently large at all levels so that this situation may be prevented.

[Question] But 750 warheads with a strength of 1 to 5 megatons did, indeed, constitute a major threat; what is the difference in principle?

[Answer] It is not possible to compare those systems. The SS-20s represent a new threat. Both because of their number--but, first and foremost, because they are mobile units with three warheads.

[Question] But their mobility ought, indeed, to be a factor creating stability, as it means that, in the East, they are equally fearful that their missiles will be destroyed in a surprise attack, and, therefore, they can wait longer firing the SS-20, whereby the nuclear threshold is made higher?

[Answer] It is a weapons systems which may be moved around, and which thus is a new system, and, therefore, it is, of course, clear that, in the eyes of the West, it is a question of a new threat.

[Question] It is a new weapon, but what is the new threat?

[Answer] As I have said earlier, it is a question of a new system with three warheads which has not been known earlier.

[Question] But what is it that they are threatening us with, and which we were not threatened by before?

[Answer] It is the very SS-20s. It was a new weapon which was introduced, and which increasingly has been produced and deployed. And that situation, of course, was bound to give rise to the question what we could do about it. And in the discussion today of the entire two-track decision, I find it important to stress that it was a question of a decision consisting of two elements, the negotiation element of which was the absolutely decisive one. And also that the aim was to reach an agreement which would mean a stoppage of this deployment of SS-20s and a removal of this threat.

[Question] I still do not understand it. Let us compare the threats. Several hundred warheads of the old warheads would cause the complete destruction of Europe.

[Answer] Yes.

[Question] Will Europe become more or less devastated on account of the SS-20s?

[Answer] Not if one compares the number and says that now a certain number of missiles with one warhead will be fired, and then compares that with a number of SS-20s with three warheads. That is clear. You may, of course, always quantify or qualify a threat and the size of an attack, if any. But it is, of course, not without reason that the primarily Social Democratic governments at the time found that a new threat existed which had to be taken so seriously on the part of the West that they had to make a countermove. That led to the two-track decision.

[Question] One may, of course, exaggerate a threat in the excitement existing at the moment?

[Answer] That, of course, is possible, but, conversely, it must be said that it was a question of a weapons system which involved such a large capacity from the point of view of the West that something had to be done about it.

[Question] I still have not got your answer why this capacity is so considerably different?

[Answer] I definitely find that it is something which must be of interest to us if they are able to hit three targets, three major cities, at the same time.

[Question] But with the 750 warheads of the old missiles, they were able to hit much more than three major cities at the same time. It was a capacity which was capable of devastating all of Europe. The devastation now becomes somewhat more protracted?

[Answer] Yes, but now they can hit three targets with the same missiles. Previously, they had to fire three missiles.

[Question] What is the difference in that?

[Answer] Well, it is a question of a system which has a higher rate of precision than the old SS-4s and SS-5s.

[Question] How does precision become important when we have such a densely populated area?

[Answer] It is of a certain importance if one aims at specific targets?

[Question] But the effect on the civilian population becomes the same?

[Answer] Yes.

[Question] The idea is thus that the Soviet Union might use these weapons in a paralyzing attack on military installations in Western Europe?

## Instrument of Threat

[Answer] Yes, or primarily as a political instrument of threat in relation to Western Europe.

[Question] How does one make such threats?

[Answer] There may be many different opinions and ideas on that. It is not something which I feel like developing here. It has been seen before in history that it has been possible to convert a military potential into some form of political blackmail.

[Question] Also nuclear weapons?

[Answer] It is clear that there is a considerable difference in the use of nuclear weapons and conventional weapons, but, nevertheless, I will say yes.

[Question] How does one do that? If the Soviet Union, for example, launches an ultimatum, saying if you will not do such and such a thing, we shall fire nuclear weapons on Copenhagen, Paris, and London, is that the danger?

[Answer] Nobody says that a situation of threats need to involve the threat of the use of nuclear weapons right away. But as I said before, one may imagine many different things. One may imagine many different ways in which a military capacity may be used to subject others to pressure.

[Question] Supposing that the Soviet Union removed all the SS-2s, would they not be able then to use some of their intercontinental missiles for the same type of threats?

[Answer] That would be possible. Missiles, of course, may solve several different tasks. That is not what is interesting in this conjunction. The interesting thing is that we on our side have such a high level of credibility on all different levels that we cannot be subjected to pressure with threats of the use of weapons, whether it be in the conventional or the nuclear area.

[Question] I suppose that the use of the term credibility means the prospect that an attack will be answered. Are there any indications that the Soviet Union doubts that an attack will be answered?

[Answer] No, I am not aware of any such indications, but this may, of course, be associated with the fact that NATO's military potential is such that the deterrent effect is present, and that the existence of the NATO alliance has a war-preventive effect.

## Nuclear Umbrella

[Question] We previously discussed the necessity of new missiles for political reasons, thus the connection between the strategic nuclear striking force of the United States and a war situation in Europe. What is it that you fear?

[Answer] What I fear is that to the extent that the two superpowers have a parity in the strategic area, one will, when looking at the European area, see that on the side of the East they have at their disposal a military potential, the SS-20s, which they do not have on the West-European side. We do not have any American weapons which may match these on the European side. Consequently, they may have the possibility, in one way or the other, of applying pressure, i.e. starting events where the American nuclear umbrella does not start functioning automatically. It was this anxiety which led to the two-track decision.

[Question] Why does it function more automatically if missiles are stationed on land in Western Europe?

[Answer] When there is parity in the strategic area, it is a question of convincing people in Wyoming, Idaho or other places that an attack or a threat of attack will be counteracted with the use of the strategic, heavy missiles.

[Question] Will an American president be more inclined to fire missiles placed on land in Western Europe than missiles in Idaho? He naturally will have to be, in order for the 'linkage' to become reinforced.

[Answer] It was this anxiety and discussion which led to the two-track decision. I have no reason to doubt that the politicians who were sitting at the negotiating table at the time did not feel that way at the time.

## Risk of United States

[Question] But even if they felt that way at the time, it is not, of course, necessarily rational. Why will an American president be more likely to fire missiles against the Soviet Union from Western Europe when such an attack is likely to be answered with an attack on the United States?

[Answer] It is a question of entering certain trains of thought where one may always insert different elements. One may say: why would it have to be this way and not that way. And if that happened, if nuclear weapons were fired from one place to another, what would that then release. What I am saying is that the decisive thing in that connection was a West European fear that the United States would become disconnected, that the American strategic forces would not be linked to the defense of Western Europe. That led to the two-track decision, and as I am saying we have as yet had no reason to doubt whether it was right or not.

[Question] Do you share this fear in connection with the American nuclear umbrella which you said led to the two-track decision?

[Answer] Do I doubt whether the United States, in a given situation, will step in? No, I do not, but I find that it will provide increased security also for Western Europe if that linkage becomes as effective as possible.

[Question] But the effectiveness is thus no greater than that an American president will still have to decide whether he dare risk a retaliation directed against the United States itself.

[Answer] No.

[Question] But, in that case, it still is not clear why he would be more likely to attack the Soviet Union from Western Europe than from Idaho?

[Answer] Because Western Europe in this situation will probably be the area where the fighting will start.

[Question] But if it is an easier decision, it must be due to the belief that it may be possible to limit a nuclear war to Europe?

[Answer] No, I really do not think so. The moment a nuclear war erupts, one will have to imagine the worst. Any speculation as to a limitation of a nuclear war is an entirely dangerous and unrealistic idea.

[Question] Why do you believe that you have not had success with the explanations to the population which were presented in this interview?

[Answer] The discussion on the two-track decision and the entire complex of problems in connection with nuclear weapons probably has two aspects to it. One which is the more emotional aspect--the fear and abhorrence of nuclear weapons--exists in all people. The other aspect concerns the more complicated questions of strategy and tactics, etc. And this has probably had the effect that when politicians have been inclined to talk along the more technical lines, there has been a fear among the population at the same time which has been more or less real and more or less well-founded. It has made itself felt along other channels than the actual technical policy discussions. And it probably has been a question whether we who support the NATO cooperation and the two-track decision have been more reserved in the discussion, and when we have explained ourselves, we have not done it in such a way that we got sufficiently far out.

7262

CSO: 3613/25

## SKDL EXECUTIVE COMMITTEE URGES GOVERNMENT GENEVA INITIATIVES

Helsinki KANSAN UUTiset in Finnish 14 Oct 83 p 3

[Article: "Finland Could Promote Euro-Weapons Negotiations"]

[Text] According to the Executive Committee of the SKDL [Finnish People's Democratic League] the Finnish Government should take the initiative in a joint action of neutral and nonaligned countries to promote the Geneva talks on Euro-missiles and nuclear weapons.

This proposal was approved at a meeting of the SKDL Executive Committee on Wednesday. SKDL Chairman Kalevi Kivisto and General Secretary Jorma Henttila presented a proposal yesterday to make the content public.

In the proposal emphasis is placed on the fact that the arms race is accelerating particularly in Europe inasmuch as the deadlocked situation continues in the negotiations between the Soviet Union and the United States.

In this situation the nonaligned and neutral countries could attempt to find new models for a solution based on the proposals made in Geneva. The Finnish Government could take the initiative on this.

One alternative could be the discussion of medium-range nuclear weapons in connection with the European disarmament conference, states the Executive Committee's proposal.

"We have considered President Koivisto's speech at the UN General Assembly to be positive. It has been interpreted as a consolidation of Finland's position on nuclear weapons," emphasized SKDL Chairman Kivisto in his report to the Executive Committee.

Kivisto also described President Koivisto's visit to the Soviet Union and the United States as significant and emphasized: "In the present unstable international situation it is important that the continuity of Finland's foreign policy line and the immutability of its international position have received high-level confirmation and recognition."

10576

CSU: 3617/17

## GRO HARLEM BRUNDTLAND: PRESSURE USSR TO CUT OWN MISSILES

Oslo AFTENPOSTEN in Norwegian 11 Oct 83 p 5

[Text] Political pressure to make the Soviet Union immediately begin reducing the number of its missiles directed toward Western Europe must be increased during the final phase of negotiations in Geneva. This was stated by Labor Party leader Gro Harlem Brundtland in a conversation with NTB (Norwegian Telegrambyra).

She was troubled by the widespread pessimism over the prospects of a negotiated settlement in Geneva. "In a way, there are reasons for pessimism, but there is no reason to declare defeat in advance. We must take new political initiatives and increase political pressure on the Soviet Union."

"The Russians can begin reducing the number of their missiles immediately. If they really want to avoid deployment of new NATO missiles, they can reduce the number of their own missiles without risk," she said.

She said that the Social Democratic parties of the smaller NATO countries that meet for regular informal discussions in the so-called Scandilux group would discuss a broad working program for disarmament at their meeting in Brussels on 20 October.

9336

CSO: 3639/8

## LABOR'S BRUNDTLAND SAYS PARTY SUPPORTS NATO, AGAINST SS-20

Oslo AFTENPOSTEN in Norwegian 18 Oct 83 p 2

[Article by Terje Svabo]

[Text] "The major features of the security policy that has been followed during the post-war period has enjoyed broad support among the people. I believe it is of primary importance for our political party to help secure this asset and continue it throughout the 1980's and 1990's." This was stated yesterday by Labor Party leader Gro Harlem Brundtland. She said that the Labor Party would support a real increase in the defense budget of 3 percent in 1984. The government has proposed a 3.5-percent increase.

Gro Harlem Brundtland spoke at the Oslo Military Society. The theme was "Security in the Nuclear Age." She devoted much of her speech to the broad unity that has characterized the main features of Norwegian security policy. She said that the broad popular support for these policies had helped protect Norway from outside pressures. Gro Harlem Brundtland continued:

"The current debate over individual issues must not develop into unnecessary suspicion toward the motives and positions of our basic security policy."

In her speech, the Labor Party leader stressed that ties to the Atlantic pact were fundamental to Norwegian security policy and that the United States was the primary ally and supporting power of Norway.

"Norway's resources and our proximity to one of the Soviet Union's most important strategic base regions dictate that it is neither possible nor desirable to create a local military balance in our region. We also must see ourselves as part of the larger balance in Europe. It must be possible for us to receive allied reinforcements in a crisis situation," Gro Harlem Brundtland said.

In its budget proposal for 1984, the government is proposing a 3.5-percent real increase in defense appropriations.

"Next year, as this year, the Labor Party will support a 3-percent real increase, which corresponds to the joint goal approved by the NATO countries. As previously pointed out by the government, 0.5 percent will not be of

decisive significance in solving the problems the military is facing today," Gro Harlem Brundtland said.

On Friday and Saturday Gro Harlem Brundtland will lead a Labor Party delegation to a new so-called Scandilux meeting of the Social Democratic parties in Europe to discuss the missile issue. In her speech, the Labor Party leader commented on the present negotiations in Geneva and the Labor Party's support for NATO's twin-track decision of 1979. She stressed that the Labor Party had demanded all along that negotiations to avoid missile deployment be conducted parallel to preparations for deployment.

Gro Harlem Brundtland stated the following on the party's position during the final phase of negotiations:

NATO should postpone the announced deployment to provide sufficient time for concluding the negotiations. The Soviet Union should not just call off further deployment of SS-20 missiles, but immediately begin scrapping those already in place, in order to show its desire to reach an agreement. The accelerated deployment of SS-20 missiles that has occurred during the negotiations has deepened the conflict and reduced confidence in the Soviet Union.

Negotiations on medium-range weapons and strategic weapons should be combined and, in this connection, the British and French weapons should be included in the overall picture. Such an agreement should call for a reduction in SS-20 missiles so that NATO could refrain from deploying new missiles.

9336

CSO: 3639/8

## GROUPS ORGANIZE TO COUNTER OPPOSITION TO NATO MISSILES

Oslo AFTENPOSTEN in Norwegian 14 Oct 83 p 3

[Article by Einar Solvoll]

[Text] A counteroffensive has begun against the No to Nuclear Weapons movement. A national campaign will begin tomorrow with events in 154 towns. The organization Friends of NATO and the Progressive Party are behind this action. "The struggle for public opinion and the twin-track decision are our main concerns," Progressive Party leader Carl I. Hagen said at a press conference yesterday.

Several defense organizations and the nonsocialist parties declined to participate in the campaign, citing the involvement of the Progressive Party and other factors. Carl I. Hagen expressed regret over this and pointed to the political left, where widely differing interest groups have demonstrated the ability to join together on certain issues and then oppose one another on other issues.

LIBERTAS editor Arne Slettebo said that the Friends of NATO campaign started spontaneously and that contributions had been received from over 2,500 people, most of whom had donated 20 to 30 kroner each.

"There will be a round of negotiations in Geneva in October and another round in November. If there are no results, the first of 16 missiles will be deployed in Sicily, followed by deployment in West Germany and England," said Bjorn Erling Ytterhorn, who is a member of the defense committee in parliament. He said that for this reason the time was right for a campaign in favor of the twin-track plan.

Arne Slettebo said he was a member of the Conservative Party, but Bjorn Hallstrom, who also participated in the press conference, said he had voted for the Progressive Party this year, but was not a member of the party. These two men represent the Friends of NATO campaign, which will begin a week-long campaign tomorrow. Preparations have been made throughout the country. Buttons and stickers to be placed in car windows will be distributed.

9336

CSO: 3639/8

## POLL MAJORITY: ANTI-INF MOVEMENT IN COUNTRY WEAKENS NATO

Oslo AFTENPOSTEN in Norwegian 18 Oct 83 p 3

[Article by Thorleif Andreassen]

[Text] The campaign conducted by the No to Nuclear Weapons movement is weakening NATO. This position is held by 52 percent of the Norwegian people. The work of this movement is strengthening the Soviet position, according to 48 percent. Over half the people believe that neither the Soviet Union nor NATO wants to start a nuclear war. In the poll, 37 percent said they were more afraid that the Soviet Union would start such a war. Only 5 percent have the same fear of NATO. The fear of NATO was clearly greatest within SV (Socialist Left Party), in which 24 percent believed that the threat of war came from our defense alliance. The greatest fear of the Soviet Union is found within the Christian People's Party (KRF). This fear is shared by 55 percent of that party's supporters.

The opinion poll cited by AFTENPOSTEN today was taken by the Norwegian Opinion Institute on commission by the organizations Free Norway with NATO, Defend Norway, Peace and Freedom of Bergen, and For Peace, Freedom, and Defense, located in Grimstad. The poll was taken last September.

"Do you believe that the position of NATO is being strengthened or weakened by the campaign conducted by the No to Nuclear Weapons movement?"

In answer to this question, 29 percent responded that NATO was strengthened, 52 percent said that the defense alliance was weakened, 4 percent stated that the work of the peace movement had no bearing on this issue, while 15 percent of the respondents did not know.

Most support for the proposition that NATO was strengthened by the No to Nuclear Weapons movement was found in the Liberal Party (41 percent). The corresponding figures for the other parties were 34 percent for AP (Labor Party), 21 percent for the Conservative Party, 35 percent for KRF, 30 percent for SP (Center Party), 16 percent for FRP (Progressive Party), and 20 percent for SV.

Most of those who believe that No to Nuclear Weapons weakens NATO belong to the Conservative Party, FRP, and SV with 63 percent, 67 percent, and 60 percent, respectively. The figures for the other parties were as follows:

AP 43 percent, KRF 43 percent, SP 47 percent, and the Liberal Party 52 percent.

The movement has no effect or is insignificant according to 5 percent of the AP voters, 4 percent of Conservative Party voters, no KRF supporters, 3 percent from SP, 4 percent from the FRP ranks, 9 percent from SV, and 3 percent of the Liberal Party supporters.

Nineteen percent did not know whether or not NATO was being weakened by the peace movement. The responses were as follows, according to party affiliation: AP 17 percent, Conservative Party 12 percent, KRF 22 percent, SP 20 percent, FRP 12 percent, SV 11 percent, and the Liberal Party 5 percent.

#### Mostly Men

It is mostly men who say that NATO is being weakened by the No to Nuclear Weapons movement, namely 59 percent. Among women, 45 percent share this belief. Persons under 30 years of age are particularly like to be in this category (54 percent), while among older age groups 3 percent fewer answered that NATO was being weakened.

It is mostly women (32 percent) who believe that the defense alliance is being strengthened, compared to 25 percent of the men. Only 27 percent of respondents under 30 years of age agreed with this. In older age groups, 2 percent more were of the same opinion, which is most widespread in Trondelag and Northern Norway, where 42 percent shared this opinion. In Oslo and Akershus, on the other hand, all of 68 percent answered that NATO was being weakened by the peace movement.

#### LO Members

A clear plurality of LO (Federation of Trade Unions) stated that NATO was being weakened (49 percent). Among other organized workers, 61 percent agreed. This opinion was shared by 50 percent of the unorganized workers. On the other hand, 28 percent of those who believe that NATO is being strengthened are LO members, 23 percent belong to other labor organizations, and 31 percent are unorganized.

"Do you believe that the Soviet Union is being strengthened or weakened by the No to Nuclear Weapons movement?"

A clear plurality of 48 percent believed that the Soviet Union was strengthening its position. The Soviet position is being weakened, according to 30 percent, and 6 percent answered that there was no effect or that the effect was insignificant. Seventeen percent did not know.

It is mostly men who believe that the Soviet Union is strengthening its position-- 57 percent compared to 39 percent of the women. A large number of people over 60 (52 percent) agreed with this. This opinion was shared by 51 percent of the people under 30 and 51 percent in the 30 to 59 year age group. More women than men (33 percent of the women) believe that the Soviet

position is being weakened. Among men, this position is shared by 26 percent.

#### Majority

A majority of the nonsocialist voters stated that the No to Nuclear Weapons movement strengthened the Soviet Union: Conservative Party 60 percent, KRF 60 percent, SP 55 percent, and FRP 53 percent. Among AP supporters 40 percent agreed that the movement strengthened the Soviet Union, along with 29 percent from SV and 41 percent from the Liberal Party.

With its 45 percent, SV was the clear leader among those who believed that the position of the Soviet Union was weakened by the movement. SV was followed by the Liberal Party with 42 percent. The following figures were found among the other parties: AP 36 percent, Conservative Party 21 percent, KRF and SP 19 percent each, and FRP 31 percent.

SV also has the most supporters who believed that the peace movement was of little significance in this regard--15 percent of the SV supporters were of this opinion. Relatively few supporters of the other parties shared this opinion: AP 6 percent, Conservative Party 5 percent, KRF 1 percent, SP 2 percent, FRP 4 percent, and the Liberal Party 3 percent.

But many answered that they did not know.

The highest percentage of those who did not know (24 percent) were SP supporters. Among voters from the other parties, 19 percent from AP, 14 percent from the Conservative Party, 19 percent from KRF, 12 percent from FRP, 11 percent from SV, and 14 percent from the Liberal Party did not know.

"Are you more afraid that the Soviet Union or NATO will start a nuclear war or do you believe that neither of them will do that?"

Most of the respondents (53 percent) answered that neither would start a nuclear war. Among the remaining respondents, 37 percent were more afraid of the Soviet Union, 5 percent feared NATO most, 2 percent were equally afraid of both, and 3 percent did not know.

#### Fear Of Soviets

Fear of the Soviet Union was greatest in KRF, with 55 percent of its voters supporting this idea. Only 11 percent of the SV supporters were more afraid of our neighbor to the east. But 34 percent in AP, 46 percent in the Conservative Party, 34 percent in SP, 44 percent in FRP, and 29 percent in the Liberal Party feared the Soviet Union.

No Conservative Party or KRF supporters were more afraid of NATO. On the other hand, fear of our own defense alliance was greatest among SV supporters. Almost 24 percent of the SV voters were afraid that NATO could start a nuclear war. This fear was shared by 4 percent of the AP voters, 1 percent of SP voters, and 12 percent of the Liberal Party voters.

SP has the greatest number who believe that neither the Soviet Union nor NATO would start a nuclear war--65 percent expressed this opinion. The figures for the other parties are as follows: AP 58 percent, Conservative Party 49 percent, KRF 39 percent, FRP 50 percent, SV 49 percent, and the Liberal Party 55 percent.

SV voters have the greatest fear of both the Soviet Union and NATO. Of those who fear both East and West, 11 percent are from SV, 1 percent from AP, 2 percent from the Conservative Party, 1 percent from KRF, none from SP, 1 percent from FRP, and 2 percent from the Liberal Party.

Relatively few have no opinion on this question: 3 percent each in AP, the Conservative Party, and the Liberal Party, 5 percent in KRF, none in SP, 2 percent in FRP, 6 percent in SV, and 3 percent in the Liberal Party.

Fear of the Soviet Union is more widespread among women than men. Among women, 43 percent expressed that they were most afraid of the Soviet Union. This opinion was shared by 32 percent of the men. There is a clear majority among men (60 percent) who believe that neither the Soviet Union nor NATO would start a nuclear war. This opinion is shared by 14 percent fewer women.

9336

CSO: 3639/8

## PLANS FOR PARTICIPATION IN SECURITY CONFERENCE OUTLINED

Oslo AFTENPOSTEN in Norwegian 11 Oct 83 p 30

[Text] Norway will participate in the Conference on Trust, Security, and Disarmament in Europe which, according to plans, will convene in Stockholm in January with both power blocs and neutral European countries participating. These negotiations will be a continuation of the European security conference held in Madrid earlier this year.

Indications are that the Norwegian delegation will be led by an ambassador.

Foreign Ministry press spokesman Geir Grung said that Sweden had offered Norway office space in the vacated House of Parliament in downtown Stockholm. The Foreign Ministry has not yet made a decision, since funding would be required and parliament must therefore be consulted. But not much time remains. A preliminary conference will be held on 26 October in Helsinki to discuss plans and technical arrangements for the Stockholm conference. The Stockholm Conference is to begin formally on 17 January. It is not known whether or not East and West will be on speaking terms at that time. West German Social Democrat Willy Brandt, during a recent visit to Stockholm, indicated that he would not be surprised if the conference had to be postponed due to a lack of results at the Geneva negotiations on nuclear weapons and because of the deployment of new American missiles in Europe.

According to the Foreign Ministry, the Norwegian delegation in Stockholm should consist of three expert Foreign Ministry officials and one military advisor from the Defense Ministry. These posts will not be filled until parliament has taken up the matter and allocated money for the positions. But a strong contender to become leader of the delegation is Ambassador Leif Mevik who for many years was chief negotiator at the KSSE talks in Madrid. But the position of chief negotiator in Stockholm will be attractive and many interested parties could apply.

Plans also are being developed to establish a position for a special disarmament ambassador in Geneva, since Norway plans to become more active in the disarmament work of the United Nations.

**SCHLUTER APPOINTS ADVISERS FOR SECURITY, FOREIGN AFFAIRS**

Copenhagen BERLINGSKE TIDENDE in Danish 14 Oct 83 p 8

[Article by Michael Ehrenreich]

[Text] Two consultants will advise the prime minister, one on foreign economic matters and the other on security policy, along with acting as the head of the security secretariat in the prime minister's department.

The official apparatus of the office of the prime minister will be strengthened in two very important areas if Folketing approves the establishment of two new positions for consultants to the prime minister starting at the beginning of next year.

One of the consultants will advise Prime Minister Poul Schluter on foreign economic matters with special reference to foreign exchange conditions and international trade.

The other consultant will concentrate on security policy issues and act as head of the prime minister's security secretariat. This secretariat coordinates work in the committee of officials coming directly under the government's security committee.

**Composition of Committee**

The security committee consists of the prime minister, the foreign minister, the justice minister and the defense minister with the prime minister acting as chairman of the committee. Even so, the Foreign Ministry has traditionally occupied the chairmanship of the committee of officials, but starting 1 January this post will be transferred to the office of the prime minister. The present chairman is Foreign Ministry director Eigil Jorgensen and the new chairman will be department head of the prime minister's department Peter Wiese.

**Two Positions Eliminated**

The appointment of the two new consultants will not expand the present figure of 17 academic staff members in the prime minister's department, since two head clerk positions will be eliminated at the same time.

The establishment of the consultant positions was recommended yesterday by the National Assessment Council and this will now be discussed in the Folketing Finance Committee.

## SCHLUTER, SOCIALISTS BOTH IN CONTEST TO WOO RADICAL LIBERALS

Copenhagen BERLINGSKE AFTEN in Danish 7-13 Oct 83 pp 1, 12

[Commentary by Hans J. Poulsen]

[Excerpts] Prime Minister Poul Schluter held an opening address without openings at the beginning of the new Folketing year. No signals were sent up from the Folketing rostrum as to whose cooperation will be sought in the next few weeks in order to push legislation through. Instead the occasion was used for a detailed description of the more long-range perspectives for other phases of the activity of the four-party government. Whatever else develops in the way of political drama, the government will unleash strong efforts to hold onto the Radical Liberals who are also being eagerly wooed by the Social Democrats.

Prime Minister Poul Schluter seized the opportunity Tuesday to devote a substantial part of his speech to the opening session of Folketing to air several ideological themes for the continued activity of the government. Modernization, growth, decentralization, increased use of market mechanisms, less of the guardianship mentality and increasing the strength of the citizen in relationship to the system were some of the terms and concepts the government leader brought up in the era he calls the "transition to the second phase of the new policy."

As we all know, the government is a minority government that has only survived by bringing about a political splicing of such odd matches as the Radical Liberals and the Progressives. Regardless of its position as a minority government, the government has stressed profiling itself more ideologically and less in terms of slogans than when it convened a year ago. This has certainly been done quite deliberately in order to explain to doubters and skeptics the difference in long-term perspectives between relying on a nonsocialist-liberal government and counting on a Social Democratic regime.

Government Doubts Social Democratic Strength

The Conservative prime minister's opening speech, which covered 23 typewritten pages, gave no indication of where and how the government will

find the majority it needs within the next few days to assure passage for most of its budget improvements. The job will be extremely difficult because the parties in Folketing are almost all taking a wait-and-see position.

The opening speech bore no signs of being an inauguration treaty for a very broad cooperation in Folketing. The government is probably well aware that the Social Democrats are beginning to want to appear to be a little more result-oriented. On the other hand the government thinks the big opposition party is not strong enough at the moment to give it much support.

Officially--in other words as stated in the opening speech--the four-party government is making these demands for cooperation:

1. The government wants to maintain the balance between incomes on the one hand and spending and "public consumption levels" on the other.
2. The "consistent economic policy" will be pursued for a "longer period of time," but they are prepared to meet criticism with an "open mind" and negotiate other proposals on individual elements.
3. But--as the prime minister said in his closing remarks--it is a "decisive condition that the line and strength of the government's proposal be preserved."

Following Henning Christophersen's (Liberal) appeal to the Social Democrats to re-establish a political truce in the area of foreign policy, Anker Jorgensen has once more been drawn into the political sphere of interest. But--as of this writing--no invitation has yet been extended with regard to meetings. In the meantime, the Social Democrats have formulated an inquiry to the government about the missile talks in Geneva and have conducted bilateral talks on discussions with the Radical Liberals. There has probably not been anything new at the two meetings held so far--one last Wednesday and one the day before yesterday.

The Social Democrats do not seem anxious for an election at the moment, but are evidently pursuing the tactic of trying to talk the Radical Liberals into giving up or becoming more skeptical in their role as "support party" for the four-party government which they themselves helped to create. If Schluter can be deprived of Radical assistance, some significant points will have been scored on the inside track at Christiansborg. And this could also help pave the way--which is what the top brains in the Social Democratic Party are working on--for a different type of coalition government--a Social Democratic/Radical Liberal cabinet. Still a minority government, but even so.

## Help Requested

In the last issue of the Social Democratic publication NY POLITIK, the anonymous Altmann outlined the formation of a new brotherhood. He wrote: "Both the nonsocialists and we know that there is only one alternative of the four-leaf-clover type--the Social Democrats. The cleanup effort will not be easy but it must be done and if the Radical Liberals become radical again some day we will be glad to accept their help."

Of the current SR [Social Democratic/Radical Liberal] negotiations the daily paper AKTUELT noted in a recent report that "the apparently new rapprochement" has revealed similar views on such areas as social policy and tax reform.

But it is unlikely that the attempt to charm the Radicals back into their previous role will succeed. As a Social Democratic member of Folketing said to the weekend edition of BERLINGSKE AFTEN: "They are hardly inclined to return to their old position. Nor can they give us a majority, as they could in the old days. So I anticipate that Poul Schluter will be able to whip the troublemakers on the outer fringes of the government back into place."

## Strategy of Misery Failing

With a side glance to the string of unequivocal opinion polls, the Social Democrats concede that there is not much prospect of an imminent Folketing election restoring government power to them. They have been in the opposition for a year, but this has not yet indicated an increase in voter support that would produce a gain in seats. And if a hypothetical election cannot come up with that, the prime minister will continue to be named Schluter.

The strategy of misery (just let the public learn firsthand how bad things can be under a nonsocialist government) has failed to benefit the Social Democrats in terms of voter support. That may be another reason why the Social Democrats are beginning to stir themselves and why their new spokesman in Folketing, former Labor Minister Svend Auken, was sharp but not unusually so in his criticism of the government in yesterday's lengthy debate.

The opening speech, which with the budget proposal was the theme of yesterday's all-day debate was characterized by Auken as "perhaps the most ideological opening speech ever held in Folketing." And Auken illustrated his dissociation with this polemic statement: "No effort was spared here to conceal the myopia that passes for clarity where true believers are concerned."

Statements from leading Social Democrats in the past week have created some uncertainty as to how quickly the party really thinks something should be done if it set the pace. The tax law (i.e. the size of the

basic deduction and possible tax relief measures in this context) should be ready by Monday, 17 October, according to chairman Anker Jorgensen and by 20 October at the latest, according to vice chairman Knud Heinesen. Spokesman Svend Auken had a third idea:

"Things are really getting serious when it comes to deadlines," he told this paper. "As early as next week, in other words by the 15th at the latest, something must happen. And if they want to negotiate with us on the tax law, it will mean goodbye to the Progressive Party. That law is the Progressive Bible and that is probably why the talks on this law have dragged on for so long."

Thus the general political situation appears extremely complicated and uncertain at the beginning of the new Folketing year. The abundant good will the prime minister's own party has encountered in opinion polls during the first year in office is not enough in itself to guarantee results.

"We must," Poul Schluter said to Danish Radio on opening day, "seek a majority, but we do not know who will assume joint responsibility. If the Social Democrats want to get in touch with reality the proposed cuts in the social sector must be implemented. We have nothing against holding detailed talks with the Social Democrats concerning new rules. But the main intent of the plan and the results of the last 12 months must not be destroyed." At the same time the prime minister acknowledged that there was no direct signal in the opening speech for a cooperation with one, two or three parties.

So if Poul Schluter seems more determined and less jovial during this transition to the second phase than we saw him in his first triumphant year as head of the government, the reasons are quite obvious.

The start and progress of the opening debate yesterday served as dramatic confirmation that the Social Democratic tactic is to try to tempt the Radicals beyond their ability to resist.

6578

CSO: 3613/26

## GALLUP POLL: SCHLUTER GOVERNMENT MOST POPULAR SINCE WORLD WAR II

Copenhagen BERLINGSKE TIDENDE in Danish 14 Oct 83 p 8

[Article by Asger Schultz]

[Excerpts] The nonsocialist government seems to be having continued success when it asks the voters to make economic sacrifices. This is shown by the latest study of government popularity.

At roughly semiannual intervals--except when special events call for a survey--the Gallup Institute conducts a running poll of the opinion voters have of the government currently in office.

In these surveys, a representative selection of voters is asked this question:

"Do you think the present government has done a good job, a fairly good job or a bad job during the time it has been in office?"

The first poll is usually made about 3 months after a new government takes office and the first study of the four-party government was made at the beginning of December.

The next study was made in March and the poll has now been repeated in September.

In the following table we see the results of the latest poll in September and earlier polls going back to the first survey of the nonsocialist government in April 1968 after the January election are included for purposes of comparison [figures prior to 1979 not included here].

The March figures showed the highest score (popularity) any government has achieved since World War II and as we see the latest survey shows that since March the government has further increased its popularity. Over 80 percent of the voters now think the government has done a "good" or "fairly good" job.

The development does not depend solely on nonsocialist voters but is equally due to Social Democratic voters. While two-thirds of these voters (66 percent) said in March that the government had done a good or fairly good job, the figure rose to three-fourths (75 percent) in September.

These are the government popularity figures in percentages:

<u>Date</u>	<u>Rating</u>				<u>In all</u>
	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Don't know</u>	
August 1979	10	45	35	10	100
December 1979	11	31	34	24	100
March 1980	6	36	51	7	100
June 1980	7	39	48	6	100
December 1980	10	39	45	6	100
October 1981	8	40	44	8	100
May 1982	7	43	43	7	100
December 1982	28	36	23	13	100
March 1983	38	39	15	8	100
September 1983	43	39	12	6	100

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POLL FINDS OVERALL SUPPORT FOR SCHLUTER POLICIES

Copenhagen INFORMATION in Danish 18 Oct 83 p 1

[Text] Observa poll shows Schluter's steps are viewed as uneven, but the majority of voters still supported government policies.

A majority of voters said that the government's proposed economic interventions would not affect all social groups with equal force, according to an Observa survey which was published in MORGENAVISEN JYLLANDS-POSTEN.

Some 53 percent of the voters said that some groups would be hit harder than others, while 32 percent said the government's proposal is adequately balanced socially. The survey showed that 15 percent took no position on this issue.

Observa asked a representative cross section of voters to take a stand on 11 points in Prime Minister Poul Schluter's opening address.

Only two of the proposals did not win support from a majority of voters. Some 51 percent opposed employers and workers paying more for unemployment insurance while a plurality opposed the government's plans to change primary education in elementary schools.

The government's tax plans received majority support from 57 percent of the voters. The biggest majority came in support of the government's proposal to break the monopoly of Danish Radio. This idea was backed by 77 percent of those asked.

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POLL SHOWS WIDESPREAD SUPPORT FOR AUSTERE ECONOMIC POLICY

Copenhagen BERLINGSKE TIDENDE in Danish 18 Oct 83 p 5

[Article by Asger Schultz]

[Text] The tightening up of economic policy which the voters have already experienced at first hand has not alarmed them too much, since a clear majority still wants the austere economic policy continued.

In the spring the Gallup Institute conducted a survey in which a representative cross section of voters was asked the following question:

"The present nonsocialist government has introduced economic austerity in order to straighten out Denmark's economic situation, which means reducing Denmark's deficit in the balance of payments and reducing the state budget deficit. And this tightening up of economic policy has been unpleasant for many people.

"This fall the government must gain approval for a new budget bill for next year. May I ask if you think the government should continue to pursue a tight economic policy with more savings cuts and wage restraint or do you think the government should loosen up on its tight economic policy?"

The institute has now, just before the opening address to Folketing, conducted a new survey in which voters were asked the following question:

"The new budget bill means an economic policy of continued austerity with public spending cuts in many areas, including the social sector and health care. Do you think it is correct to continue to pursue a tight economic policy, as the government has now proposed, or do you think economic policy should be loosened up?"

The responses to the latest survey, compared with responses from the first one, were as follows:

<u>Response</u>	<u>May 83</u>	<u>Sep 83</u>
Continue austerity	55%	55%
Relax policy	33	36
Don't know	12	9
Total	100%	100%

Despite the slight changes in the wording of the questions, it is striking that the figures in the two surveys are almost identical. The position of voters on the economic policy that should be pursued remains the same. The government should continue to pursue a tight economic policy. But the poll does not reveal just how tight.

But the problem that is discussed almost daily is whether the government can survive and at the same time carry out an austere economic policy.

To shed light on the question of survival, this question was asked:

"Regardless of which party you usually vote for, do you think it is best that the present government remain in office for the remainder of this election period or do you think the opposition should try to topple it and form a different government?"

<u>Breakdown by response and political affiliation</u>	<u>Should stay</u>	<u>Should go</u>	<u>Don't know</u>	<u>Total</u>
Total	69%	20%	11%	100%
Those favoring tight economic policy	93	4	3	100
Those favoring looser economic policy	44	47	9	100
Don't know	65	11	24	100
Party orientation:				
To right of Social Democrats	95	3	2	100
Social Democrats	50	40	10	100
To left of Social Democrats	36	60	4	100

A very large majority of the voters (65 percent) evidently would prefer a continuation of the nonsocialist government. Among nonsocialist voters this majority is close to 100 percent, while half the Social Democratic voters (50 percent) want the nonsocialist government to remain in office, and 40 percent would like to have it removed.

We can also see that even though the voters who want to continue a tight economic policy naturally enough also want the nonsocialist government to remain in office, this does not mean that those voters who want to "loosen up" necessarily want to see the government removed.

Only a modest plurality of 47 percent to 44 percent wanted this to happen. Thus the voters who want a looser economic policy find it as easy or almost as easy to accept having economic policy loosened up by a nonsocialist government.

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CSO: 3613/26

## PROGRESSIVE PARTY HOLDS CONGRESS; GLISTRUP GIVEN JAIL LEAVE

## Chairman Admits Party Crisis

Copenhagen BERLINGSKE TIDENDE in Danish 16 Oct 83 p 11

[Article by Lisbeth Knudsen and Michael Ehrenreich]

[Text] In his report to the national congress, the national chairman of the Progressive Party, V. A. Jakobsen contributed the heavy defections from the party of those popularly elected as well as the party's lack of support in the opinion polls to the high degree of unrest within the party during the past year.

"The party has not been wiped out, but we must admit frankly that we are undergoing a deep crisis, nor can we explain away the fact that even if the party has not been wiped out, many members have withdrawn from the party," V. A. Jakobsen said.

The national chairman referred, among other things, to the unrest in connection with the formation of the fraction "the Last Call" last April as well as "the enormous repercussions within our party in connection with the conclusion of the sessional year of the Folketing and then, of course, in connection with the August days."

The Mogens Voigt case and the unrest within the Frederiksborg county have also harmed the party, V. A. Jakobsen said.

"We have experienced increased support among the voters, but since the proposal was made to form a Prosperity Party, the decline in the support of the party has been obvious," the national chairman said.

V. A. Jakobsen sufficed it to referring to the sentencing of Mogens Glistrup in very brief and cautious terms.

"We have to admit that the present situation is difficult to tackle both for the Progressive Party and for Mogens Glistrup. My only hope is that it will be possible to find a balance which will be appreciated by Danish voters," V. A. Jakobsen said in his report.

### Glistrup Named EC Parliament Candidate

Copenhagen BERLINGSKE TIDENDE in Danish 16 Oct 83 p 12

[Article by Lisbeth Knudsen and Michael Ehrenreich]

[Text] Mogens Glistrup will be the first candidate on the party list of the Progressive Party in the election to the EC parliament next year, even if the founder of the party is beforehand practically excluded from being approved as a member if he is elected.

The Progressive Party will appoint its candidates for the EC parliament election in a constituency meeting to be held on 4 December, but the national congress of the party decided yesterday with a narrow majority to reserve the first place on the party's list of candidates to Mogens Glistrup.

The decision was made with 437 voting in favor of it and 377 voting against it.

Beforehand, Kirsten Jacobsen, a former member of the Folketing, had recommended Mogens Glistrup, stating that only he will be able to attract the 100,000 votes needed to obtain a seat.

Carsten Thorsen, Copenhagen county, warned against the decision, referring to it as "an act of folly, which will destroy our last remnant of credibility among the voters."

The eligibility of candidates for the EC parliament is decided by the Folketing, which last June found Mogens Glistrup unworthy of retaining his seat in the Folketing.

At the moment, the Progressive Party has no members of the EC parliament from the last election to the EC parliament in 1979, following the recent withdrawal from the party of Kai Nyborg.

### Role of Glistrup Occasions Debate

Copenhagen BERLINGSKE TIDENDE in Danish 16 Oct 83 p 12

[Article by Lisbeth Knudsen and Michael Ehrenreich]

[Text] The Last Call fraction of the Progressive Party thoroughly prepared Lene Glistrup's election to the central committee. The debate at the national congress became a showdown among persons and a support of the political line of the Folketing group. Glistrup's fate will be decided today.

When V. A. Jakobsen yesterday concluded his report to the national congress of the party, a large crowd of people, carrying flowers, approached his only opponent in the elections to the central committee today, Lene Glistrup, in a massive demonstration against the present national chairman of the Progressive Party, V. A. Jakobsen. Together with her husband, Mogens Glistrup, she stole part of the applause from the national chairman, who sat down, resignedly. Only far into the subsequent debate on the report, John Arentoft, a member of the Folketing group of the Progressive Party, paid modest tribute to the national chairman.

The incident at the start of the national congress yesterday underlined the entire atmosphere of showdown among persons which marks the 2-day meeting at Nyborg Strand. Only the new chairman of the Folketing group, Helge Dohrmann, was gratified to find a unanimous support at the national congress of the political line pursued by the Folketing group. Photos of Lene Glistrup were posted everywhere on the walls of the meeting hall of the national congress, and on the tables were brochures with sharp attacks from the Glistrup family on V. A. Jakobsen.

During the debate, Lene Glistrup attacked the present national chairman for turning an organizing job into a political job. On statements in his report to the effect that the Progressive Party is at present undergoing a crisis, she said: "I am neither depressed, crazy nor a pessimist. I am an optimist." Lene Glistrup received much applause during the national congress, but only a small number of delegates rose to give her a standing ovation.

"I must say that during the time which has elapsed since Lene Glistrup's introduction as a candidate, she has not refrained from making political statements," V. A. Jakobsen answered.

The national chairman made the following comment on the third candidate for the post of national chairman, Ove Jensen, deputy chairman of the Folketing group: "If the background to the attacks on me is that I would mix politics and organizational work, it seems illogical that they will recommend a member of the Folketing group."

Booed

Kaare Prien, Copenhagen county, began his statement during the political debate by establishing that the Progressive Party should neither belong to V. A. Jakobsen nor to Mogens Glistrup. "Let us have peace, Glistrup, allow us to keep the gift you gave us in the form of the party," he said.

It was almost impossible to hear Glistrup's deputy in the Folketing, H. C. Hansen. After statements to the effect that "the darkness of madness is descending on the founder of the party," the taunts and jeers against him became too strong. He said that a wise party leader would nurture his talents within the party instead of burying them, and he added that Erhard Jakobsen, Center Democrats, had understood this. Several delegates advised H. C. Hansen to join another party. He, moreover, said that the policy of the Progressive Party is not an idea invented by Glistrup but an ancient idea of liberty for the individual human being.

Erling Johansen, the Southern Large Constituency: "If the support of the Progressive Party continues to decline the way it has been doing so far, I do not feel like staying for the funeral. We have a national record in the number of people withdrawing from a party, and these people claim that Mogens Glistrup was the reason for their withdrawal."

Mogens Voigt, member of the Folketing group: "We are, to a far too large extent, leaning on the Conservative Party. Many people feel that what Glistrup says today sounds like a record, but the truth is the same as it was in 1973."

#### Glistrup and Jesus

Poul E. Jakobsen, Funen county, stated that the present national chairman had but one desire, viz. the desire for unlimited power. "If you want to create peace within the party, you may achieve this by resigning your seat in the central committee and by placing yourself among the members of the Folketing group who have left the party and revealed their pitiful human and organizational defects," he said.

Kristen Poulgaard, member of the Folketing group, said that the national congress was too sad and pessimistic and he chose instead to tell the following anecdote: Poul Schluter picked up the phone and called the Lord. "When will Denmark get out of its developing country debt," he asked. "It will not be in my lifetime," the Lord answered. Kristen Poulgaard, incidentally, recommended that the national congress support Lene Glistrup.

Gunnar Schou, the Eastern Large Constituency, said that "Mogens Glistrup is Denmark's salvation." He added: "Jesus was also betrayed by his own people."

Kirsten Madsen, the Eastern Large Constituency, said that V. A. Jakobsen caused disunion within the party, and she added: "The sentence passed upon Mogens Glistrup is the hallmark of the Progressive Party." She referred to Louis Pio, among others, as a precedent.

Ole Donner, Frederiksborg county, said: "We may lack a salesman of perfumes at the top, but we shall nevertheless have no difficulty selling our program."

#### Cause of Election

Willy Sørensen said that the national chairman had displayed extraordinary diligence. "In three years, he has caused the membership to be cut by 50 per cent. That does show an effort." Tage Knudsen, Vejle county, said, on the other hand, that Anker Jørgensen would congratulate himself if Lene Glistrup became elected.

The chairman of the Youth League of the Progressive Party, John Bisgaard Jensen, urged the party to discontinue its futile line of protest and instead carry on intensive negotiations with the government. Mogens Andreasen, the Eastern Large Constituency, and Ib Persson, the Southern Large Constituency, said that the Progressive Party should not overthrow the government. "If the government

is to be overthrown, that task should be left to the Radical Liberals and nobody else," he said.

Hans Kristian Højsgaard, member of the central committee, said that the party should neither be a religious sect nor a branch of the Conservative Party. He added: "As far as the Progressive Party is concerned, the government is the best that rules the least."

V. A. Jakobsen, in his response to the debate, gave expression to his appreciation of the few words expressed in praise of him, adding that if the report had been negative, "the reason was that there had not been much to laugh about." He stressed that he had never at any point disagreed with the Folketing group politically. In answer to criticism why he had not made any clear statements on the Glistrup sentence, he said: "There is a difference between what one may say as an individual person and as a party. One has to create a balance between the person of Glistrup and the sentiment of justice of the electorate."

#### Glistrup Addresses Congress

Copenhagen BERLINGSKE TIDENDE in Danish 17 Oct 83 p 7

[Article by Michael Ehrenreich and Lisbeth Knudsen]

[Text] The national congress of the Progressive Party, held over the weekend, proved to be but a modest victory to Mogens Glistrup, who forecasts an election on 22 November, and who will now be returning to the Horserød State Prison.

The founder of the Progressive Party, Mogens Glistrup, asks his people to prepare themselves for an election to the Folketing on 22 November.

The founder of the party concluded the 2-day national congress of the Progressive Party, held over the weekend, with the above remark on the election date.

Tomorrow, the Progressive Party will start negotiations with the government on a comprehensive compromise package. In the said negotiations, the party will propose savings in the amount of 18 billion kroner instead of the government's increases in daily sickness benefit contributions and contributions to the unemployment insurance.

The national congress held over the weekend proved but a modest victory to Mogens Glistrup, who got his wife by his side in the party's central committee and who acquired the first place on the party's list of candidates for the EC elections. On the other hand, the national chairman is still V. A. Jakobsen.

"It has been a dignified and sober-minded national congress. Instead of talking about unrest and disunion, one ought to understand that this is how democracy functions among free people. We must not allow ourselves to be cowed into calmness, onesidedness and discipline," Mogens Glistrup said.

"What has harmed the party most is not internal unrest, but the fact that the Progressive Party, time and again, has been referred to as the government's supporting party."

"We are no crutch nor any supporting party for the government. We are a party providing ideas which the other parties fail to come up with," Mogens Glistrup said.

He said that, in his opinion, the primeminister would feel compelled to appeal to the country on 22 November for fear of becoming "exposed."

"Schluter has created a soap bubble which cannot last forever. He has conveyed the idea that the government is in the process of restoring Denmark. He cannot go on cheating the entire population with his conjuring tricks, and that is why he will have to issue writs for an election," Glistrup said.

He added that the Progressive Party did not want any elections.

"Why discard the dirty water if one has got no chance of replacing it by clean water. Let us keep the Folketing we have got now," the party leader said.

#### Wife Fails in Deputy Chairman Bid

Copenhagen INFORMATION in Danish 17 Oct 83 p 1

[Text] Lene Glistrup did not become deputy chairman, but Glistrup got the majority within the central committee.

Glistrup did not achieve the results he wanted, but he won the fight on the majority within the central committee at the national congress of the Progressive Party which was held at Nyborg over the weekend.

Glistrup first took the floor at the national congress held on Saturday afternoon to reject a proposal enabling delegates to vote for two candidates for the central committee.

They have hitherto been able to vote for only one candidate and that will also now continue to be the case.

Glistrup agitated in favor of having the "large minority" of the national congress represented within the central committee as well.

And that happened. Lene Glistrup was elected a member of the central committee by 335 votes. The present national chairman obtained 386 votes, while the compromise candidate of the Folketing group, Ove Jensen, got only 92 votes.

Subsequently, V. A. Jacobsen was re-elected chairman with 501 votes against Lene Glistrup's 383.

Even if, then, his participation in the 11th national congress of the Progressive Party, Mogens Glistrup had aimed at having his wife elected chairman of the party, he considered the outcome to be a "half victory" and appeared rather satisfied.

He has brought about a shift in power within the central committee which, as far as INFORMATION has been informed, will mean, among other things, that Mogens Voigt, member of the Folketing, will again be permitted to offer himself as candidate for the Progressive Party in Funen.

In the Voigt case, Glistrup is supported within the central committee, composed of 6 members, by his wife and the former chairman of the party's youth league, Hans Kristian Højsgaard.

In connection with this case, Sustrup Hansen, who otherwise is a faithful supporter of Glistrup, remains uncommitted on account of a personal conflict with Voigt.

Højsgaard tells INFORMATION that he agrees 100 percent with Glistrup politically but opposes him organizationally 90 percent.

Consequently, Glistrup appears to have a majority within the central committee on all major issues.

#### Power

The results of the voting at the national congress indicate that Glistrup has a clear majority within the assembly for his uncompromising political line, but that some of his supporters nevertheless support the present national chairman in order to obtain a formalized, organizational influence on the party's policy.

At the suggestion of the Youth League of the Progressive Party, and prior to the party's ordinary election procedure, Glistrup was thus elected top candidate of the Progressive Party in the elections to the EC parliament. However, the leaders of the Youth League advocated re-election of V. A. Jacobsen because he represents the demand for increased power for the party organization.

#### Paper Evaluates Congress, Party Future

Copenhagen BERLINGSKE TIDENDE in Danish 17 Oct 83 p 8

[Editorial: "The Unsolved Problem"]

[Text] The national congress of the Progressive Party held at Nyborg Strand became both a victory and a defeat for Mogens Glistrup. A victory because the party still worships its leader to such a degree that he had no difficulty becoming the top candidate of the party in the upcoming EC elections--with all that it involves in the form of possibilities of agitation for Glistrup and worries for the rest of the representative government. A defeat because he was unable to have his wife placed as the new chairman of the party.

In his speeches at the national congress, the re-elected national chairman, V. A. Jacobsen, on several occasions, reverted to the words that the Progressive Party is solving situations instead of problems. This is a description which covers not only the party's general activities but also the course of the national congress. It solved situations when it gave a little to Glistrup and more to V. A. Jacobsen. However, the national congress left behind the problem that the cleavages between the various wings of the party, if anything, became both deeper and wider than they had been prior to the congress.

The result will probably be that the newly elected central committee on a few issues will respond more readily to signals emanating from Horserød. However, there is no reason to believe that the national congress which elected the central committee wanted for the Glistrup family to increase its power position within the party. For that, V. A. Jacobsen's victory became too big.

However, this very split between the will not to dissociate themselves decisively from Mogens Glistrup and the will not to become a flock passively following the founder of the party may rapidly develop into new conflicts on the personal level. There is a Mogens Voigt case which has to be finally concluded. It may rake up the dispute within the inner circles of the party. Other showdowns will follow, and, all the time, during all of the activities of the party, there will be a deep conflict between the founder of the party and the national chairman--a conflict which may erupt into an open conflict at any time.

That is why no clear political signal emanated from Nyborg Stand. The government will find also after the national congress that the situation within the Progressive Party cannot be easily assessed. There is no guarantee that there will be no further splits within the Folketing group, and it is impossible to foresee in which direction the party may conceivably move in the coming negotiations.

The government may perhaps fasten upon the circumstance that even if the chairman of the Folketing group, Helge Dohrmann, stated that the Progressive Party was ready to appeal to the country, the general theme of the speech by the national chairman was that the party at the moment is undergoing a crisis with a declining membership and failing support in the opinion polls. A party which is undergoing a crisis will not voluntarily go to the polls, regardless of Glistrup's threats to that effect. However, if the dissolution of the party continues, the government will be forced to bring about the election which may be a decisive step toward the final dissolution of the Progressive Party.

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CSO: 3613/30

## GREEN PARTY FOUNDED, STRESSES UNILATERAL DISARMAMENT

Copenhagen BERLINGSKE TIDENDE in Danish 18 Oct 83 p 7

[Article by Kirsten Lauritzen]

[Text] On Sunday a new Danish political party was formed, the Green Party--it is more a movement than a party and was founded as a protest.

Unilateral disarmament, global ecological balance and decentralization are some of the key words in the party program of the newly-founded Danish Green Party. A group of the party's founders said this at a press conference in Copenhagen yesterday.

"Our party is only a formality and was formed in protest against the inability of other parties to put their policies into practice," said the Green Party's spokesman, Preben Bjorn Madsen, who has been affiliated with SF [Socialist People's Party] and has been deputy mayor of Hoje Tastrup since 1978.

"If our policy is carried out unemployment will be nonexistent. We will work to distribute employment by reducing working hours. In addition to that we will work toward getting out of EC and changing the present economic system, which we cannot support either. Nor will we support giving subsidies to firms or productions that go against our positions.

"We do not favor Economic Democracy, but we support firm democracy in which all those employed at a firm have influence no matter what."

The party's composition crosses political lines--SF, Social Democrats and Radical Liberals--and has 70 members in all, seven of whom form the party's coordination group.

6578

CSO: 3613/26

## RIGHT-WING CONSTITUTIONAL PARTY LEADER VIEWS KOIVISTO

Helsinki HELSINGIN SANOMAT in Finnish 20 Oct 83 p 13

[Article by Eero Ujanen: "Koivisto Need Not Be Criticized in Finland"]

[Text] Democracy is on the move again and even otherwise Finland's political atmosphere has developed in a rather positive direction in recent times, says Constitutional Right Party Chairman Georg C. Ehrnrooth.

The POP [Constitutional Right Party], which has been in existence for 10 years, was established to oppose President Urho Kekkonen and his reelection by means of an exception statute, without elections.

The party has stayed alive, but there is now no real living space for an opposition party: Chairman Ehrnrooth is also his party's only MP and is almost the whole party.

The exception statute for continuing President Kekkonen's term in office in the following year without elections, which aroused an intense debate, was approved in the winter of 1973. The Conservative Party, which had opposed Kekkonen earlier, now guaranteed the passage of this statute.

However, there were opponents to this bill in the Conservative Party as well as in the Swedish People's Party. The rightwing elements of these parties found each other and there was a desire in other parties also to be rid of troublesome "extreme rightwing elements".

The campaign to find the necessary 5,000 supporters to establish a new party was begun in the spring of 1973. In addition to guaranteeing the citizens' right to vote, old rightwing terminology blossomed in the appeal of the background forces: on behalf of home, faith, fatherland, and a Nordic way of life against communism.

The party was registered in October under the name of the Finnish Constitutional People's Party. Ilpo Jarvinen acted as its first chairman.

However, the figure behind the scenes of this venture was considered to be Georg C. Ehrnrooth, who was left outside of the RKP [Swedish People's Party]

parliamentary faction in the winter. The RKP's crisis finally came to a head in December and Ehrnrooth's right wing left the party. In January 1974 Ehrnrooth was elected chairman of the SPK [Finnish Constitutional People's Party].

#### Who Split the RKP?

"It has never been publicly explained how the RKP was split. Events occurring at the same time in other parties give cause to assume that Kekkonen was involved," argues Chairman Ehrnrooth.

"Previously it had been natural and permissible that one could be of a different opinion on everything except language issues in the RKP. Now the party leadership did not even want to negotiate and we were driven out of the party," states Ehrnrooth.

Par Stenback, the present chairman of the RKP, sees the issue in a completely different light: Ehrnrooth himself left the party with his impossible demands after a protracted dispute.

Also Professor Olavi Borg does not believe that the RKP was split from the outside "even though Ehrnrooth would willingly like to believe this".

"The atmosphere was at that time, indeed, strained and, for example, the registration of the Constitutionalists as a party was made much more difficult than even for the SKYP [Finnish People's Unification Party]."

The Finnish People's Unification Party was established in connection with the same disputes, but in the opinion of many its purpose was to the contrary: to procure additional support behind Kekkonen and the exception statute.

The anticipated split did not take place in the Conservative Party. There were 5--6 of the party's MP's included in the negotiations to establish the Finnish Constitutional People's Party, but all except Salme Katajavuori remained in the Conservative Party. Tuure Junnila, a key figure in the right wing, who was too shrewd to fall into the scheme of the reformists led by Juha Vikatmaa by transferring to the "spittoon party", also did the same and remained in the party. Victor Procope, who had been Ehrnrooth's partner in the RKP, also remained in his old party.

#### No Advancement

Support for the SPK was around 1 percent in the first elections. Katajavuori returned to the Conservative Party, but he was replaced by MP Kullervo Rainio, who deserted in the other direction.

In 1979 both lost their seats in parliament, to which Ehrnrooth was able to return this year by means of an election alliance concluded with the SMP [Finnish Rural Party]. A defeat in these elections would perhaps have spelled an end to the party.

This anti-Kekkonen party had its best success in the 1978 presidential elections when Ahti M. Salonen received 3.4 percent of the votes and six electoral votes.

In the following presidential elections Ehrnrooth guided the "country's only rightwing party" in good time and without reservations behind socialist Mauno Koivisto. Koivisto did not gain one single electoral vote from this support. The party's support fell to less than one-half of a percent and it remained at this level in this year's parliamentary elections. Ehrnrooth's personal share of the party's total number of votes was nearly one-fourth.

The party now has approximately 3,000 members. Its activities are concentrated in the capital city area and Pohjanmaa [Ostrobothnia]. There are only about 10 municipal council members in the whole country and it is only in Helsinki that the party's three-member council group has any kind of significance. The party is now accepting credit for its strict opposition to the metro project, among other things.

However, there has been some movement within the party. Several vice-chairmen and party secretaries have resigned over the years. Forces with opinions deviating from the leadership have also been suspended, including complete district organizations. Ehrnrooth has been accused of despotism; he himself covers up problems by divisive actions and by wooing parties that can offer a wealthier and rosier future.

Also the party's name has been changed twice: at first there was a desire to be rid of the SPK acronym, it then became the Constitutional People's Party [PKP]. Then 'people' was replaced by 'rightwing' to emphasize that besides the department-store Conservative Party, which has become closer to the Center Party, there is, nevertheless, only one rightwing party.

#### Things Going Well in Finland

Chairman Ehrnrooth is completely satisfied with Finland since the change of presidents: parliamentarianism is once again in a place of honor and debate is flourishing. Cowering and Finlandization have diminished. The hegemony of the K-line has been broken. Foreign policy is no longer used as a weapon of domestic policy.

"Not all of this is just the result of Koivisto's election, but it was a sign of change in the atmosphere, which gave birth to new changes," analyzes Ehrnrooth.

"Youth has become more rightwing oriented than before," states Ehrnrooth.

Ehrnrooth himself declares this golden era to be a predecessor:

"In the 1970's we talked only about those distortions which Kekkonen's long term in office created. Today everyone has come around to our policy line. This is very funny."

### Keep Going for Any Exigency

"Nevertheless, the voters have not turned to our party since we do not speak to the people in the same appealing manner as the SMP. Moreover, the SMP is an old and wealthy party compared to us, it has completely different operational opportunities than we do," states Ehrnrooth.

As a professional politician Ehrnrooth also does not promise much for his party's future:

"We do not have much living space in the present situation. However, it would be naive to think that this situation will last forever.

"Many red lights are already displaying a warning in the economy and social policy. As the political situation becomes more aggravated something will be needed to promote these values of ours, be it either the present POP or some other power."

Party Secretary Panu Toivonen is by profession a forester and he sees the situation in a slightly different manner from the perspective of nature:

"Even the growth of a tree is slow for the first 10 years and then it finally accelerates. This phase is called the tree's implantation. I believe the implantation phase is now over in our party and more rapid growth will begin. Previously this analogy was valid for the SMP as well as the Christian League," predicts Toivonen.

### Kekkonen Hatred Was Detrimental

The Constitutionalist do not cause much concern among the competing parties.

"The split was actually quite small. Indisputably the struggle in the 1970's was fierce, but now it is under control. Some of our voters who went to the Constitutionalist have now returned and some have moved on to the Conservative Party," states RKP Chairman Stenback.

Conservative Party Chairman Ilkka Suominen disputes that the POP has ever been any kind of a threat to the Conservative Party. Just as Stenback he considers the fault of the party to be an excessively one-sided and rancorous opposition to Kekkonen.

Also Professor Borg, who is a researcher of parties and politics, is of the opinion that it is not particularly honorable to criticize something just a few steps ahead of someone else. The POP has had very few actual arguments and goals.

"However, it is true that already in the 1970's the POP demanded that freer discussion which we now have," states Borg.

But no one believes in the rise of the Constitutionalist.

10576

CSO: 3617/17

## ROLE OF YOUTH IN PCF POLITICAL, DISARMAMENT STRATEGY

Paris CAHIERS DU COMMUNISME in French Sep 83 pp 54-61

[Article by Marcel Zaidner: "The Place of Youth in the Implementation of PCF Strategy"]

[Text] Our June and July-August issues carried the lectures given at the section first secretaries' training session held last May. Francette Lazard gave a class on "A Strategy of Acts" and Marcel Zaidner lectured on "The Place of Youth in the Implementation of PCF Strategy." The latter text is excerpted extensively herewith.

Youth plays an important part in our journey down the road we have chosen to socialism. Young people, their way of life and problems are shaped by the crisis; our analysis of it is now well known, but it is not sufficient to explain and justify what we intend to examine here.

#### A Double Aspect

What interests us is understanding young people as they are in society as it is. Our first problem is to avoid fabricating an image of young people as being outside of society, incomprehensible, outcasts and even dangerous, as some people have depicted them.

If we consider the question of youth in its relationship to the crisis and, consequently, to society, we see that there are many aspects to this crisis. Young people are resisting the crisis, seeking solutions and participating with us in the struggle. Others are turning inwards, seeking escape in wrong solutions or going in the other direction and trying to adapt to society as it is in order to muddle through somehow.

However, we also see that there is almost always a quest for a new way of life, new relationships, and the emergence of a whole series of new questions being asked. These questions arise unannounced and show that young people are caught in a crossfire of important questions and answers. If we look closely and try to understand, our own questions can be discerned in sometimes more acute forms; the same is true of our own incipient responses to the questions that the crisis is putting to us.

Youth is presenting us in a concentrated form the crisis and problems that concern us; at the same time, it is presenting us in miniature the solution to the crisis and the emergence of problems that we ourselves are trying to find solutions to.

But simultaneously and consequently youth is one of the prime targets in the struggle of ideas; it is a prize for all political forces. The Right could recently be seen trying to mislead student concern in an attempt to block indispensable university reforms.

The class struggle is also involved. Young people are more politicized than they seem, but they have questions about politics as they perceive it or as it is presented to them. Are we really far removed from them when we speak by and for ourselves of a new way of politics?

Young people too--or some of them, anyway--are seeking somehow to shape a new politics. They may not be quite as many poles apart from us as some would have it. No one can seek solutions to the issues facing youth, including our relations with them, without starting with the crisis and considering ways out of it.

And yet the second question is closely linked to the first; no one can find a solution and rally the forces necessary to accomplish the changes we are fighting for unless young people take an active, creative part.

#### The Crisis and Behavior of Youth

The crisis is having acute effects in areas where youth is eminently involved.

If you take issues like schools, city life or housing, you realize that the same reasons led to the start and spread of the crisis, have made a mess of the economy and have caused an education crisis that has grown in its own way.

Schools have become less and less well adapted to what is needed because for years the forces running things in this country would not and could not give education the task of training new generations for anything else than how to turn a profit, and this led them to select for super-elites and leave out--by a process of elimination--a large part of the younger generation. As a consequence, schools were stifled, and hundreds of thousands of young people felt failure and rejection as they found it impossible to integrate themselves into work and into society.

We are encountering the same type of problems in high-rises and housing developments. Acute social problems have been created by urban sprawl: clusters of population grew up as a labor force was brought in to increase production. It was unskilled labor that big management brought in from the countryside and lodged in high-rises; these workers were followed by groups of immigrant workers thought necessary to the operation of large companies of skilled workers.

This unhealthy practice was engendered by the needs of capitalist exploitation, and its consequences now extend far beyond the business world. These are not things that happen spontaneously without rhyme or reason. They are problems that flow from the crisis itself, that have their own pattern of growth and that give rise to a whole series of issues. It is easy to see how all this has enormous consequences for the behavior of young people.

If the issues are looked at in this light, explanations can be found for behavior that seems at first puzzling, inexplicable and disturbing.

At the 23rd Party congress we found ourselves in need of knowledge and understanding; the congress felt it was imperative for us communists to begin a thorough study of young people in order to set forth a line of action. This was done in the Central Committee in 1979, when the Charles Fiterman report on youth stressed the great social problems linked to the crisis; it was an essential document that enabled us to examine thoughtfully the problems facing the "crisis generation."

That Central Committee session thus brought forth a basic explanation and an analytic, working instrument that no longer left us unprepared. It called for a reaction that would not yield to crisis behavior, to drugs, violence or irresponsibility. It called upon young people to get involved in the struggle, especially young workers. It made progress in considering educational problems and vocational training.

#### At the Heart of Change

We have set forth a policy line that now allows us to work under better conditions. On this basis we have scored some points. A majority of young people participated in defeating the Right in 1981, and some of these youth are fighting on our side.

Faced with the persistent troubles of schooling and unemployment, young people may wonder if there is a way out of them and if there is any hope for the future. It is thus understandable that they worry about being rejected and not having any solutions before them, and that their reactions may be serious and lead to impasses.

These are questions that the crisis brings out strongly in youth both when they begin school and when they leave it, and the human consequences are enormous. When we say 200,000 young people leave school every year without any training, and when we say that the system of basic vocational training still does not meet needs, is still underfunded and is still not oriented sufficiently towards training that is indispensable in today's world, we are showing that there is a struggle, a cause, a great battle to be won.

Our approach can be strong and direct, because we propose to show what the real problems are, beginning with the crisis itself. We intend to seek solutions through the development of our economy and with young people themselves, keeping in mind that French society in crisis is also a society that has changed and is changing profoundly. Proceeding in this manner, we note that youth, which we say is at the heart of the crisis, is also at the center of all the transformations and evolution.

The introduction of new technologies is having a great impact on the immediate environment of youth. This is symbolized by the use of robots, young people's familiarity with computers at the elementary school level, and the use of electronics in children's games.

There is thus a whole series of questions that are a part of youth's daily life, questions that they want to comprehend: the development of service occupations and their evolution, the development of communications in the forms it has taken in recent years, and the scientific discoveries that have affected even people's love lives, such as birth control and the normalization of births.

These discoveries have entered into daily life and have had a very great effect on the way in which people look at life, the family, couples, and male-female relationships. A whole new world is opening up.

We have a more dialectic, more complete view of youth in crisis. This youth is also that of an evolving society that intends to make use of all changes and is not afraid of using them, even though some people want to bring pressure on society to make it afraid of change. (See the document of the PCF Politburo of September 1982. CAHIERS DU COMMUNISME October 1982.)

Youth wants more and more to control all these new possibilities. It wants to make its living from them and benefit from them. That may make some people say that youth wants to take advantage of everything immediately. Youth is well aware that a whole series of rather unusual changes is taking place, that it is going through a period of numerous changes and that it wants to take advantage of them in its daily life. This opens the door to a series of points on which we might find common ground and mutual understanding. We are also directly confronted with the need to find new approaches to economic and social problems and to find a way out of the crisis.

In the present situation, young people are the victims of the crisis, but they are also the most sensitive potential agents for new action. A general understanding of young people is necessary in order to have a proper understanding of the matter.

In France, some 200,000 young people are leaving school without an education, and a million young people are unemployed. This is an unacceptable situation, and measures have been taken to correct it. This situation must be reversed by giving priority to education and also by creating jobs in industry. Also, it must be recognized that young people do go to school till the age of 16, that television (with its faults), that television does give the smallest village a view of the world, distorted as it is, that there are more than 200,000 students earning the baccalaureate degree every year, and that a million young people are in higher education, although half of them will not be able to finish their studies and get a degree.

More 3 million young people are at work in businesses, offices and stores; they are experiencing the world of work with its conflicts and problems. They are in business, but they do not always succeed. Their presence poses serious problems: they may be a drawback or a source of considerable support for workers' action and struggles; they respond to current needs as we interpret their behavior and as we generally conduct ourselves toward them.

Starting at that point we have the means with which to discover what place they shall fill in the struggle to emerge from the crisis and to build socialism, provided we see what the new problems are.

The working class is not renewing itself as it used to. The young apprentice who has just emerged from childhood and who finds himself working alongside of a journeyman, the youth who has grown up all at once with his first paycheck and his first cigarette, that person is a thing of the past, although he may still be seen on occasion. The passage from childhood to adulthood is spread out over a longer period than in the past; it often goes through an unstable, painful stage, which, if prolonged, is worsened by failure in school and phases of unemployment, short-term jobs and instability.

All that obviously has ill effects. We must oppose those who say, "They aren't like us, they don't concern us." That is what is sometimes heard from people who reject the young.

For us and the labor movement in business, it is necessary to welcome young people, to try to see what is going on, and try to understand and adapt our activity to it.

#### What Common Ground With Young People?

There are many other questions to be considered, but what we want to say is that youth most needs perspective and concrete progress towards the end of the crisis; youth does have the most of the aspirations leading to it. Young people probably have the most ideas that correspond to our thrust.

Considering what they want and the proposals we have put forth over the years, an immense common ground emerges. Obviously the effects are neither spontaneous nor automatic. The ideological war is hitting inexperienced young people with full intensity. There are images of socialism and communism that are intended to cloud young people's minds to all that socialism has contributed to humanity. There is a heavy, continuous drumfire of propaganda to get across the idea that no cause is worth fighting for. Also, our delay in drawing up our own responses as French communists has not allowed us to answer all the questions that young people have been asking.

Because of the crisis, youth has not automatically had the same class distinctions. It must also be added that people do not become workers as they used to, and changes have taken place in relations within families.

The advances made by our recent congresses have had and will yet have effects on youth. And we have a renewed approach, one that is neither overoptimistic nor overly pessimistic. We take youth as it is, with all that it embodies: aspirations, desire for change, hesitation, and expectations. We will have to wait and see what will be the most forceful, but it is a challenge and a battle. It is therefore decisive to interpret correctly the signs of the present situation of youth and not to make it enter society as it is presently constituted while understanding that it is normal for young people to seek a new way of life when the old way of doing things is in crisis.

For example, we think the means of production and management imposed by the managerial class is worsening the crisis and damaging individuals; so we are not surprised when a young person tells us, "I don't want to work like that."

Our old way of implementing plans for change led us to think we had to build up our strength and then make a decisive change. That might make a young person say, "What's to become of me in the meantime? Do I go on working as before? Do I have to put up with society as it is? And young people were saying, though not in so many words: "Not me!"

The way we are asking the question today, and not just theoretically, and the way we are beginning to put theory into practice, are much closer to young people. Working in a different way? Let's give it a try, let's experiment, let's get started; we've got to get on with the struggle.

It should also be noted that attempts to liken young people's attitudes to an "allergy to work," as some like to theorize, are on the ebb. Despite the crisis, lack of training, uncertain jobs and unemployment, young people really want to work, ply a trade, have responsibilities and have money to live on their own.

The fact remains, though, that some less experienced youth may be repelled by forms of work and exploitation that are now outmoded. It is up to us to understand what young people are rejecting--and what we basically also reject--and to help them find ways of struggle and responsible action.

The other questions can be examined in this way: the problems of peace, disarmament and the problems of socialism itself. If we take them as our policy sets them forth and if we speak candidly and clearly to youth about all these issues, we can make ourselves understood.

We are not asking youth any more than anyone else to take us at our word. Rather we want to work with them to find new courses of action and work out the issues with them at their own rate.

I would like to take an example, the "Rigout" vocational course for young people aged 16-18. It is one of the most definite problems about which people have felt concerned and on which they have been able to act, with concrete results.

One objective of the struggle is to change schooling so that it is no longer a mess, but the merit of the government's decision is having started somewhere, having confronted an emergency. Something basic happened with what at first appeared to be mere tinkering, and some people doubted it would succeed. Actually, a lot more has been accomplished than with plans and reforms. And things will continue to get done. The mess was thus brought to light and, probably for the first time, the conditions were created for a whole series of individuals to get involved in the problems of vocational training, starting with elected representatives and including workers, teachers and others. It was proved that young people want to learn to work. It gave food for thought. When a young person has failed at everything, or thought he has, and then suddenly gets some results and experiences success, that's a big event in his life. It doesn't cure everything, but the minister can't take care of everything.

Business committees and unions have the right to act and municipalities have the responsibility to act in vocational training. As a matter of fact, business courses have increased this year, and the conditions have generally been better for students aged 16-18; and there has been more for students in electronics and applied-physics laboratories. Some workers have had an initiation to the contribution they can make to young people by serving as tutors to them.

Business has a concrete perception of the issue of training, its funding and the roles that can be played by qualified producers. We can strive further to make it understood that it is not a cost to business but an investment, that investment does not involve only machines but men and the improvement of their training.

There is a struggle to be waged there for new criteria of management, with a new way of doing things, and youth is at the center of it.

Our struggle consists in making progress in creating new training schools in factories, schools that are recognized by the Ministry of National Education in coordination with the instructors for avant-garde technology. Innovative work can be done in these companies, with the workers acting as instructors.

Therefore, if we are constructive and carry out the class struggle in a practical way, we will make progress and make concrete changes in the situations of some young people. With that as a start, they will think for themselves about their own responsibilities and their place in common struggle.

The young person for whom we have done that will take another look at the union. He will see communists in a new light. They will not be people who make speeches but workers who will have helped him solve his problems by taking him seriously as a responsible person and investing in him. Relationships will be changed by that, and examples exist.

## Our Political Practice

It is not a matter of inventing a new policy or adapting ourselves to youth in a demagogic manner or making concessions to off-the-wall behavior.

We do not intend to reprimand or preach, but neither do we intend to give in to the crisis. We intend to take things as they are and to struggle with concrete problems. We are not out to "get" young people on our side by flattering them, nor do we mean to make all of them participate in our entire policy; we want them to give it a try as we tell them the truth and open up a dialogue in which we listen to them. There is no uncrossable gap, and there are no young people estranged from politics whom we cannot win over.

That means that when we do what we must, that is, meet them frankly with our constructive proposals, we all advance together.

Young people are already taking part in our activities and will participate even more when we ourselves are better at it, when we ourselves put into practice what we have decided to do. We can be an attractive force for youth, a force that engages in constructive, progressive politics. There is a basis for agreement and discussion, and the way in which we want to approach people will help us if we involve the concerns of youth in our plans.

Suppose a debate is held, for example, what is done to bring in young people? Suppose the business situation is examined; how do young people fit in? How can we reach them? What should we do? If neighborhood life is studied, how do we include youth? We discuss with the young people themselves what must be done.

The dialogue will bring out a lot of problems, but it will ensure that we have confidence in each other. That is the PCF's responsibility and the responsibility of each of us. No federal, section or cell secretary can think he can do his job well if he does not have direct and frequent contact with young people, especially in business, not to mention students in secondary and higher education.

But that is not good enough. We must also create the conditions for young people to experience not only life but also revolutionary struggle, and they must do it themselves in their own way. That is what justifies the existence of the Young Communists.

Our struggle cannot do without the activity of an independent young communist organization.

Young people need to engage in politics mingled with all other aspects of their lives.

The Young Communist Movement can rally young people for action, young people who are indeed involved in a youth movement, who are seeking relationships, understanding and activity with other young people on subjects and in ways that satisfy their tastes, curiosity and aptitudes.

With its originality, the Young Communist movement is one of the forces working for the transformation of society; it offers young people a big opportunity to make their own contribution.

8782

CS0: 3519/21

## BRIEFS

BASQUE ELECTION FRONT RUNNERS--Jose Maria Benegas will top the PSOE list for Alava in the upcoming Basque Country autonomy election. His candidacy will be conveyed this Saturday to the President's Office by the PSOE's Basque Country committee, according to a Basque yesterday. Benegas, deputy from Alava, will be nominated by Fernando Buesa, spokesman for the socialist opposition in the Vitoria Town Council. The top candidate for Vizcaya will be Juan Manuel Equiagaray, socialist spokesman in the Basque Parliament. His nomination will not be jeopardized by his fall out with PSOE Provincial Secretary Ricardo Garcia Damborenea, according to the paper. The number two man will be UGT General Secretary and independent deputy Alberto Perez. The list for Guipuzcaao will be topped by Senator Enrique Casas, nominated by Second Vice-President of the Basque Parliament Jose Antonio Maturana. In the Saturday meeting, Garcia Damborenea will ask that Benegas step down from his seat in the Madrid Congress when he is nominated as candidate for president of the autonomous Basque government. [Text] [Madrid ABC in Spanish 3 Nov 83 p 23]

CSO: 3548/90

## RESPONSE TO CRITICISM OF RAPID ACTION FORCE

Paris LE MONDE in French 25 Oct 83 p 8

[Article by Critias, a group of upper level civil servants in the Ministry of Defense, with an obligation to be discreet: "Between Europe and Abroad"]

[Text] Two thousand paratroopers of the rapid action force [FAR], a unit in the process of being set up in France, are already engaged in Beirut today. Among them, a company of the 1st paratroop chasseur regiment from Pau, which was the victim of Sunday's attack. In their own way, Critias, a pseudonym for upper level civil servants in the Ministry of Defense, and Yves Lancien, responsible for defense matters in the RPR [Rally for the Republic], believe that the FAR should keep France from having to resign itself to being the victim of events.

All the commentators consider the creation of a rapid action force joining five divisions as being the major innovation of the military planning act passed by parliament last spring. However, two main questions could be legitimately asked concerning the intentions publicized by the government.

- Will the future FAR have the resources necessary for its creation and the accomplishment of its missions?
- Will the setting up of the FAR strengthen or weaken the basically deterrent character of France's security doctrine?

The question about resources has already begun to receive a clearly positive response. Thus, the development of the FAR is continuing at a rapid pace: the appointment of General Gilbert Forray as commander in charge of this mission was rapidly followed by the establishment of a first air mobile brigade as of 1 October of this year.

The establishment of the air mobile division could be achieved within 12 to 18 months, based on data from the operation of the 1st brigade.

## Differentiated Military Service

It is true that the FAR benefits from particularly favorable arrangements. On the one hand, the resources for the FAR already exist to a very large degree and this substantially reduces its cost: three divisions out of five and approximately two-thirds of the helicopters are already available. It is paradoxical to hear some opposition members pride themselves on this state of affairs, minimizing the role of the political and military officials who developed the rapid action concept. This is somewhat as if, in 1939, General Gamelin had boasted of having the necessary tanks under his command to make possible the realization of Colonel de Gaulle's military projects! Resources without policy hardly make any more sense than a policy without resources -- and would have the inconvenience of unnecessarily mobilizing the country's resources... In the case we are talking about, both the resources and the appropriate policy are available.

As for future equipment, one is forced to note that the government is doing whatever is necessary to give form to the priority represented by the FAR. The combat helicopter project finally seems to be on the verge of coming off within a Franco-German framework in anti-tank and support -protection versions. The passing of the new military service act will make it possible to ensure for the rapid action force a resource better adapted to the conditions of long term voluntary service, successfully combining the principle of the universality of military service with the technical and flexibility requirements of foreign interventions.

Together these measures are already bearing military and political fruits. Contrary to what is being said here and there, France is not at all short of rapid action resources following the "Manta" operation and the intervention in Lebanon: only 13 percent of the FAR men are currently engaged in these interventions. If tomorrow France were to have to undertake a rapid and concentrated limited operation (of the scope of the Kolwezi one), it would be able to. Two thousand men are in a permanent state of alert in the home country, not counting the soldiers pre-positioned within the framework of defense agreements in Africa. The DOM-TOM [Departments Overseas - Territories Overseas] troops could also be replaced by home troops. Finally, the professionalization of some regiments, with various tasks and by company, will complete the force in 1984.

In time the situation will improve further, thanks to the growth of the FAR into five divisions and to the development of formulas for differentiated military service.

## Alliance Within an Alliance

However, the mere mention of our active military presence in Chad and in Lebanon is of a nature to provoke a discussion on the relationship between the FAR and our country's doctrine of deterrence. Indeed, deterrence is the only reasonable path for a medium sized power such as France, whose ambition nonetheless remains global. A country with 53 million inhabitants, whose economic potential is a fraction of that of the superpowers, can only aim at avoiding being caught up in violence and war.

In this regard it would be useful to make a distinction between the possible conditions of recourse to the FAR: France and Europe on the one hand, where the FAR will intervene in its entirety, as a unit (as which it constitutes a great innovation in our defense system); the conditions overseas, on the other hand, where threats are more immediate, while being of a different scope, call for a partial engagement of the FAR in addition to our forces already stationed outside of Europe.

In case of a crisis in Europe, the FAR could very well complete our doctrine of deterrence; in a basic article which appeared in the April 1983 issue of the journal DEFENSE NATIONALE, General Poirier, who is an expert on the subject, presented the best proof of this. While strengthening the logic of our national deterrence -- because nothing prevents an engagement on our national borders or on our own soil --, the FAR also puts into concrete form our "alliance within an alliance" with the Federal Republic of Germany, by giving us the means to be present there at the moment the interests of our countries demand it, while respecting our independence of decision making. And even though the FAR logic -- conventional force intended to intervene as a "punch" -- is not nuclear, a potential adversary in Europe will be bound to hesitate before physically facing the forces of the nuclear, independent and continental power which France constitutes. Hence, its growth in power, its commitment, have a deterrent political significance.

But the deterrence value is also manifested overseas, because the FAR is simultaneously the sword which makes it possible to stop an attack, and the large shield under cover of which the diplomacy of France and its friends can be used. In no case has France become the auxiliary of any faction. On the other hand, it has done its duty -- even with cost in blood -- in support of internationally recognized governments whose legitimacy has not been challenged within the competent international bodies ( the United Nations or the Organization of African Unity [OAU]). It has not shown the adventurism advocated by some members of the opposition, who would have wanted to bomb those who were not shooting at us or to send our Jaguar fighter bombers -- which would have been dangerous for our pilots -- without support against the Libyan missiles and interceptors (a certain number of which were sold when they were in power).

#### Pivot of the World

The rapid action force is basically different from the intervention forces established by the two superpowers. Let us consider the case of the United States: the famous rapid deployment force [RDF] is based on assumptions which are very different from those of the FAR. The RDF acts through the relatively slow mobilization of immense resources whereas the FAR can intervene without delay with more limited strength. Now, it is better to extinguish a fire with a bucket of water than to wait until the whole house is engulfed in flames. The FAR provides Europe with an additional 47,000 men for a virtually immediate presence at the chosen location, whereas the RDF could deprive the European theater of resources which are already too scarce. Who can convince anyone that Western Europe is no longer the major stake for any confrontation between the superpowers, when its gross product is equal to that of the United States and double that of the USSR?

The FAR obviously does not intend to substitute itself for the internationally recognized governments. It is obvious that this distinguishes it completely from the Soviet foreign intervention forces. France sent its soldiers to Chad -- without arousing the slightest protest from either the OAU or the United Nations -- when the Lybian invasion appeared evident and after having been invited to do so by Chad and the majority of its African neighbors. Those who claim that we should have imposed ourselves earlier have a curious understanding of international relations.

Similarly, in Lebanon France is doubly present: at the invitation of the United Nations on the one hand, and within the framework of a humanitarian mission and of support to a recognized government on the other hand. At the time of the invasion of Afghanistan, the USSR evoked condemnation from the vast majority of the international community, and specifically from the United Nations General Assembly, two-thirds of whose members are non-aligned nations. It is a strange "aid" which is given to a head of state whom one hurries to liquidate within the following hours.

No, France is not interventionist. On the other hand, it does not resign itself to submit, to repeat Marshal de Lattre de Tassigny's beautiful motto.

True, our resources are not indefinitely extendable, and France cannot, without running the risk of failure or ridicule, puff itself up in order to resemble the superpowers. But a better adapted doctrine, more versatile resources, and a greater flexibility of action will allow us to maintain our rank in the world. The FAR is the expression of our will, of our capacity to be a nation with global interests and a universal vocation: neither a hegemonic superpower nor a mediocre province, France -- and its civilization -- must continue to carry into the world its message of liberty and independence at the service of peace.

8463

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## POSSIBLE NATO ROLE FOR RAPID ACTION FORCE DISCUSSED

Paris LE MONDE in French 25 Oct 83 p 9

[Article by Jacques Isnard: "France's Place in NATO -- The FAR Could Be Used Against Soviet Armored Units in Europe"]

[Text] The role of the rapid action force [FAR] recently established by the government is indeed -- among other tasks which justify its existence within the French defense package -- to oppose, jointly with the NATO forces, the Soviet units specifically instructed to conduct "punch" operations against the allied forces in the Central European theater. Having remained hidden for a long time in the "artistic vagueness" which, according to opponents, characterizes the defense policy of the majority today, such a mission is clearly recognized, in a periodical close to NATO, by the current chief of staff of the army, General Rene Imbot. This official recognition of the FAR missions was not appreciated by officials of the PCF [Communist Party of France] who had already reserved their judgement on the value of such a force, using the argument that it would place France back under NATO control.

By the end of 1982, this project for an FAR, which will unite up to 5 divisions, or 47,000 men, under the direct command of the military chief of staff, had gone unnoticed in France, except by a few experts. On the other hand, it had been noted by several allied staffs, particularly by General Bernard Rogers, supreme commander of the allied forces in Europe, who publicly expressed his pleasure about the emphasis placed by France on this air mobile rapid intervention force, capable of preventing a crisis situation breaking out in any one sector from degenerating seriously.

## New Form of Response

At the time, Defense Minister Charles Hernu had limited himself to explaining that the FAR, which consists primarily of anti-tank armored forces transported by helicopter, would make possible to engage the enemy with a conventional expeditionary force capable of fitting into the allied forces in Europe, in any zone where the need arose, at the first signs of a crisis or conflict. In this perspective, the FAR -- the first elements of which are being built today in the eastern part of the country -- would be activated by the president of the republic to indicate France's desire to take on its share, very early and very quickly, of the common defense of Europe against a foreign aggressor, and prior to any possible launching of its nuclear deterrent force.

Since the beginning of 1983, the army staff has organized a set of experiments aimed at further clarifying the mission and the organization of the FAR, taking into account government instructions. To this effect, an embryo FAR, called "lightning force," has been set up, and since October an air mobile brigade -- precursory element -- is in the process of being established in Lorraine to give birth later on to a force, which will ultimately include 30,000 infantrymen armed with Milan anti-tank missiles, 7,000 men equipped with AMX-10RC armored vehicles, and 250 helicopters equipped with HOT anti-tank missiles.

Speaking to a restricted audience in early summer, General Etienne Dousseau, in charge of the experimentation with the "lightning force," noted that the FAR would be a force dispatched in advance of the normal deployment of the French units across the Rhine, at the level of the other forces of the Atlantic Alliance, during an emergency or crisis situation in Europe. He even added that the FAR target is elements of the adversary's second level, and specifically, within the Soviet system, the "operational maneuver group" [GMO] -- or 500 armored vehicles, 200 artillery pieces, 100 ground-to-air missiles, and 150 combat helicopters -- conceived to penetrate deeply inside allied lines, from the first stage of combat on, and to neutralize their nuclear bases, their command, their control and communication centers, their air defense system, and to paralyze the resupplying of the rear areas.

Because of their frankness, General Dousseau's words displeased people within government circles because they were inspired by statements previously made by General Rogers. According to the supreme commander of the allied forces in Europe, the development of the Soviet force in Europe -- with the creation of the GMO -- required a new form of response from NATO, based on an increased development of conventional precise and "sophisticated" arms and, particularly, on the establishment of rapid anti-tank forces modeled after the French FAR.

#### Double Merit

Questioned by representatives of the Defense Committee at the Bourbon Palace about this community of doctrine between the statements made by General Dousseau and the thesis advanced by General Rogers, Mr Hernu simply admitted that the use of the FAR in advance of the allied forces in Europe would, naturally, be subordinated to the agreement of the Atlantic command, which would have to assume the responsibility of providing air and logistics support for the engagement of the French units. The minister admitted that the FAR could be deployed in case of need wherever the government decides to do so, and this obviously implies that such a possibility must be discussed with the allies.

Today, the situation is becoming even clearer with General Imbot's article on the FAR in the journal NATO'S SIXTEEN NATIONS, which is very close to NATO circles in Brussels. In this article the French army chief of staff states, among other things, with regard to the mission of the FAR in Europe, that "the adversary against whom the 'lightning force' will be used will be the 'operational maneuver group' (GMO) on the order of a reinforced armored division or, even, two divisions." The chief of staff adds that, in Central

Europe, the FAR will provide the French government with "the possibility of a military intervention well beyond its national borders" against the most significant threat which is the armored divisions of the adversary. Procedures for "interchangeability" will have to be established among allied nations.

General Imbot's article has a double merit: that of explaining -- by clarifying them through the most official voice of the hierarchy -- the words of his subordinate, General Dousseau, and that of clearly giving the FAR units -- when they are engaged in Europe by the order of the head of state -- the task of tackling the "punch" forces of the Soviet Union: those GMO's, of the size of a division, of an army corps, if not of an army, specifically instructed to penetrate by surprise, and then to break up the allied lines in order to disorganize the NATO rear areas. It is true that in the final analysis everything will depend on a government decision, but it is becoming obvious today that the French army is preparing, structuring and equipping itself to be able, if necessary, to fight with the allies against the Red Army.

In order to indicate the importance he attaches to this development, Mr Hernu very recently compared the FAR to the pre-World War II project -- of Charles de Gaulle, then a colonel -- of forming a new regular French army from the coupling of "airborne and shock troops," based on the armor and fire power of the armored or motorized units. Like those forces, which only Nazi Germany was able to take advantage of at that time, the FAR would primarily use volunteers and specialists whom the minister refused to confuse with professional officers.

#### Best and Worst of Things

So far, the political parties in France have not yet really given their opinion about this new army organization and about its implications within the current NATO strategy. Only a few defense experts in the two main opposition groups insisted on stressing that perhaps France had not expected to really adapt its resources to its military ambitions given that the joining of already existing but disparate intervention units under a single command would not be sufficient to form the current whole which the FAR would like to be.

On the other hand, last week in Paris Mr Louis Baillot, president of the Defense Committee of the Central Committee of the PCF, explained to an audience of officers that, like the language of Aesop, "the FAR could be the best or the worst of things." The argument used is that, with the FAR, we are witnessing the professionalization of a certain number of regiments, which runs the risk of turning conscripts into "military servants." General Imbot's last article -- because he refers to the adversary by name -- should emphasize and further motivate the criticism of the PCF with regard to the FAR. As a matter of fact, it is no mystery to anyone that numerous communists believe that, for technical reasons related to the gathering of detailed information, to logistics and to the planning of support, an engagement of the FAR in Europe under the circumstances described by NATO'S SIXTEEN NATIONS would then place France in a position of dependence on NATO.

8463

CSO: 3519/56

## DEFENSE MINISTER AFTER EXERCISES: CRUISE MISSILE NO DANGER

Stockholm SVENSKA DAGBLADET in Swedish 29 Sep 83 p 8

[Text] Minister of Defense Anders Thunborg flatly rejects reports that a cruise missile's nuclear charge would explode if it were shot down before reaching its target.

The minister of defense says: "The reason is the design of the charge and the very strict requirements established by the nuclear powers to ensure safety both during firing and as the missile falls."

Thunborg's statement is directed against reports that have appeared in connection with the current major maneuvers on the east coast, where the military exercises include the shooting down of cruise missiles. According to reports, the military are not sure that the missile's nuclear charge will not explode if hit.

"It is, of course, in the absolute interest of the nuclear powers that a charge should not detonate at the wrong time or in the wrong place--for example, because of being shot down or as a result of fire. Several different factors must combine in a billionth of a second to make the charge detonate."

So says Nils Gylden of the Ministry of Defense, who at one time worked for the Defense Research Institute on ways to combat nuclear weapons.

## Small Risk

"There is a small risk that the conventional charges used in association with nuclear explosives might explode. If that happened, the nuclear charge might break up and be disseminated over an area with a radius of not more than a few kilometers."

Nils Gylden says: "There would be no danger of direct radiation. On the other hand, a person might ingest radioactive plutonium with his food or by breathing it in."

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CSO: 3650/8

## VALMET OFFICIAL: JOINT PRODUCTION VENTURES WITH USSR NEEDED

Helsinki KANSAN UUTiset in Finnish 27 Sep 83 p 13

[Article by Jaakko Tiainen: "Productive Cooperation Key Word in Soviet Trade"]

[Text] The quantity of trade between Finland and the Soviet Union can be significantly increased just by developing productive cooperation between the two countries.

"There is no other opportunity worthy of attention for cultivating trade," emphasizes Graduate Engineer Mikko Niini, the sales manager of Valmet's Vuosaari Shipyard.

According to Niini the development of productive cooperation, examined over the long haul, will rise to the level of present traditional trade based on an exchange of commodities.

From a qualitative point of view the knots in this new economic intercourse will not open up immediately and not without problems.

"One of the most important problems is to adapt joint production to the production rhythms peculiar to each country. Indeed, Finland is a market economy country while, on the other hand, the Soviet Union operates under a planned economy," notes Niini.

Also the physical adaptability of equipment to each other's specifications must be guaranteed. Even though it may only be a question of a technical solution, many problems will arise and negotiating sessions will be needed.

#### Drilling Rigs in Viipuri

At the practical level the development of productive cooperation has been discussed since the beginning of September in Viipuri [Soviet Vyborg] where representatives of Finland's shipyards are negotiating with representatives of the shipyard in Viipuri on cooperation in the production of oil drilling rigs.

Support structures and hoisting machinery as well as certain other underwater equipment, for example, could be delivered from Finland for the drilling rigs, which are already under construction at the shipyard in Viipuri.

"Over the long term consideration should be given to the fact that drilling rigs could be constructed in both countries. At that time components could be exchanged and a mutual distribution of labor between the two countries would prevail," explains Niini.

#### Equipment Already Coming From Soviet Union

Soviet equipment and machinery is being used in ships being delivered by Valmet to the Soviet Union. They represent about 5--10 percent of the cost of a ship. Of the vessels built to date, Soviet equipment has made up the largest relative share in river boats, which have been equipped with primary machinery and auxiliary equipment made in the Soviet Union.

Soviet-made radio and navigational equipment, safety and rescue equipment, electrical equipment depending on the adaptability of the rating selection, generators, electric motors, pumps, and valves as well as motors and auxiliary engines in some instances are included as standard equipment in ships being built for the Soviet Union in Vuosaari.

#### Series Are Not Always Interchangeable

Niini points out that the Soviet Union's own shipbuilding industry concentrates on the production of large series. Thus their industry manufactures the necessary peripheral equipment to meet the needs specified by their series.

"As is generally the case in Western countries, in our shipyards we build mostly individual ships, which are custom-made. This results in the fact that Soviet components are hardly ever adaptable to the ships built by us.

"In the Soviet Union the same types of ships are built for the whole duration of that country's economic plan lasting 5 years. In Finland the types of ships change so that the use of Soviet components can hardly ever be found."

In spite of the problems, the Valmet Corporation is systematically striving to increase traditional Soviet trade namely by increasing purchases.

The company has a purchasing chief for Soviet trade, whose task is to determine what is available there.

"Valmet has completely understood that basic truth according to which an increase in imports from the Soviet Union will increase exports to the Soviet Union. Therefore, much is being done to increase imports," assures Niini.

10576

CSU: 3617/17

## VALMET OPTIMISTIC ABOUT ADDITIONAL SOVIET SHIPBUILDING ORDERS

Helsinki HELSINGIN SANOMAT in Finnish 14 Oct 83 p 39

[Article: "Possibility of Receiving Ship Orders from USSR"]

[Text] Turku--The order books at Valmet's shipyards in Helsinki and Turku are beginning to become empty and the last ship will be delivered in the fall of next year according to the present status of orders. Jobs will come to an end after the beginning of next year unless there is a sudden increase in orders, states the joint work group of Valmet's trade unions and workshops.

If Valmet now actively pursues orders from the Soviet Union, it is possible that orders for the company's shipyards can still be obtained this year, state members of Valmet's joint work group, Erkki Partanen of Valmet-Rautpohja, Auvo Salama of Valmet-Pansio, and Antero Jalonen of Valmet-Linnavuori. The members of the work group base their arguments on recent discussions held on this subject.

In any event a certain interruption may now occur at the beginning of new production, but the threatened layoffs would, however, be avoided by making preparations for future orders. Now the ships to be ordered should be of the type which are presently under production according to the work group. Otherwise, it will not be possible to cover the interruption threatening employment.

In the opinion of the joint work group there is no reason to wait for a clarification of the political game which is being played by Finland with respect to personnel arrangements in the Soviet trade commission. The joint work group sees a nuclear power plant to be ordered from the Soviet Union as well as increased imports of Soviet motor vehicles to Finland as the best alternatives for counter-purchases.

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CSO: 3617/16

## STUDIES OF CEMA RELATIONS, ECONOMIC DIRECTION CAUSE DEBATE

Helsinki HELSINGIN SANOMAT in Finnish 11 Oct 83 p 29

[Article by Harri Saukkomaa: "CEMA Study Is in A Vacuum"]

[Text] Finland would rather trust in perceptions and old memorized knowledge than in research with respect to trade with the East. The Finnish CEMA-study is declining as a small and desultory study even though the atmosphere is now better than it was in the 1970's according to researchers.

Also money is being distributed for the CEMA-study, but only under one condition. Remain within certain restrictions and benefit businesses.

The researchers argue that the merchants are not interested in new basic information on Finland's trade relations with the East. It is sufficient for the businessmen and politicians to know that business is being conducted and everything seems to be in order. The researchers, on the other hand, say that Finland will encounter difficulties in its economic relations with the East if we only dwell on the old and sweep problems under the rug.

The Finnish CEMA-study has never been allowed to become old. Already at the beginning of the last decade the idea of an institute, which would concentrate on a study of CEMA-countries, was entertained. However, the idea was buried just as quickly as it was proposed. The ones who did the burying were the foreign policy people and industry, who feared that a study would disturb relations with the East.

Institute?

Assistant Professor Urpo Kivikari proposed the establishment of the UKK-institute as an East-West institute in August of Last year. Kivikari received support for his idea, but it came too late; the UKK-institute had already been dedicated to physical exercise.

However, the socialist economy and CEMA trade have been researched in Finland. The Ministry of Trade and Industry has funded 70 studies since 1974, of which some have still not been completed.

Three million markkaa are being proposed for the study of foreign trade next year. One-third of this could be used for a study of trade with the East. However, research plans satisfactory to the ministry are not sufficient: this year approximately 300,000 markkaa.

One researcher describes the situation in such a way that the Ministry of Trade and Industry has money to offer if only a suitable subject can be found. Suitable subjects are in the opinion of the ministry such which directly benefit businesses.

#### Work Made to Order?

On the other hand, officials of the Ministry of Trade and Industry themselves admit that the studies funded by them will not make the basic structures of trade with the East questionable since the funding comes from the ministry. Also the Foreign Ministry will present statements on its research plan.

The ministry has given the most support to the CEMA-study being conducted by the Lappeenranta Technical College. There are two primary CEMA-researchers in Lappeenranta. The studies consist of work made to order and deal primarily with matters of a practical nature in Eastern trade.

The director of the CEMA-project, special researcher Erkki Nironen believes that the acceptability or reasonableness of a CEMA-study has increased since the 1970's.

"Previously research was even more unsystematic. However, research continues to be deficient, basic data is accumulated for no purpose," complains Nironen.

In Nironen's opinion an American or an English CEMA-study as such cannot be used in Finland. He shows a stack of studies coming from American sources. Some of them are the product of pure imagination according to him.

"In some of them Soviet citizens are even portrayed as continuously living behind barbed wire," states Nironen.

Finnish researchers do not involve themselves in propaganda according to Nironen. "Also a research worker should have a certain amount of ethics, issues should be looked at with wisdom."

However, even a Finnish CEMA-research worker can run into overly sensitive foreign policy reactions.

"The domestic sword of Damocles begins to swing even when the Russians are not interested in an issue," states Nironen from his experience. Another issue according to him is Soviet reaction.

"Writing is not a sensitive issue in itself, but when the insides of a dinosaur are X-rayed, the reaction to protect matters of intimacy comes into play."

## East Management?

Nironen points out the change of generations.

"The old generation is dying off in the Soviet Union. Their power is being transferred from the fossils to the new management-generation, which could very well propose the elimination of bilateralism from trade between the countries."

Even other CEMA-researchers are warning the Finns against imagining that everything will remain as before in economic relations between Finland and the socialist countries.

In addition to Lappeenranta, the Ministry of Trade and Industry has funded CEMA-studies in Tampere and Turku universities. Studies have been conducted by Assistant Professor Kivikari, who has published books on East-West trade.

Kivikari explains the sad state of Finland's CEMA-studies by the fact that other matters are more popular in economic studies. CEMA-studies have not been suitable for those striving to advance in the academic world.

Kivikari finds even other reasons.

"Many large firms may be satisfied when no studies are conducted. In the background there is the fear that if issues are studied, changes may occur in the trade arrangements between Finland and the Soviet Union.

In Kivikari's opinion Eastern trade should be studied so that it could be placed on a reasonable economic basis. Then it would also be easier to justify trade.

## Liturgies?

Now he sees two attitudes toward Soviet trade: on the one hand, there is a "liturgy" for increasing trade and strengthening relations and, on the other hand, trade surpluses and deficits are discussed on a case-by-case basis. A long-term study of political economic content, structure, and principles is completely lacking.

Kivikari has recently proposed that Finnish and Soviet political economists together clarify the situation in economic relations between the countries. "This, however, would require that a couple of individuals would have to go there for a longer period of time," states Kivikari and points in the direction of Moscow.

In Austria CEMA-studies are conducted by the Wiener Institut für Internationale Wirtschaftsvergleiche. It was established approximately 10 years ago, and Finnish researchers readily refer to it as an example of an effective research institute.

There are 12 research workers in the institute and it is supported by a prestigious support group. The mayor of Vienna acts as the chairman of its board of directors.

Tauno Tiusanen, among others, whose consulting firm, Tietokarki, specializes in Eastern trade and CEMA data, acquired his knowledge from Austria. Tiusanen himself frequently writes and teaches about CEMA-countries and he himself considers that he is a "transformer" (intermediary) of foreign CEMA information and knowledge.

Tiusanen does not enjoy enormous favor among other CEMA researchers. Many researchers do not consider his consulting work and writings to be very scientific.

Tiusanen depicts the 1970's as a time when "hysteria" prevailed. He came to Finland from Vienna in 1976.

"Whatever was said could be used later against the individual saying it in a foreign policy sense. Now the situation is better. Critical but relevant dissemination of information is completely possible," states Tiusanen.

#### Arguments?

Tiusanen is annoyed by the fact that in Finland any kind of information can come through since basic research is lacking.

"Someone just recently wrote how the standard of living has risen in Czechoslovakia since someone had so stated to the writer."

Tiusanen himself predicted the development of the Polish economy in an article published already in 1979. His evaluation turned out to be valid.

Also in Finland some dare to study the basic structures and principles of a socialist economy. One of them is Pekka Sutela, who submitted his dissertation for initial examination at Helsinki University. Sutela is on a sabbatical from his position as an instructor of economics.

"The final objective is, of course, a reasonable understanding of concrete phenomena. The Soviet economy is, however, so different that it is difficult to initiate research from differing economic phenomena, states Sutela.

Sutela would prefer that a CEMA-study would be of benefit, but it should not be limited only to the needs of commerce.

"We should know more about our neighbors in general. Such a study would also take advantage of the means of cultural research."

#### Interest?

Sutela believes that it is hardly worth the effort to establish a special institute for Finland's CEMA-studies. On the other hand, other researchers

are much more enthusiastic about the issue. Also almost every college and university have expressed an interest in a new institute.

Researchers would like to increase the amount of studies. Universities would like to have new fields of study. No new extensive CEMA-research will be created with the appropriations from the Ministry of Trade and Industry. Also other officials are not yet interested. However, the most important reason has not yet been given.

"The establishment of an institute has been, to a great degree, a political question," states one researcher.

#### CEMA-Studies Funded by the Ministry of Trade and Industry This Year

##### Studies Completed in 1983:

- Legal questions concerning trade with the East. Chief traits of foreign trade law. GDR. Tampere University.
- East-West trade researched particularly on the basis of Finnish and Austrian examples. Turku University.

##### The Following Studies Are to Be Completed in the Fall of 1983:

- The effects of the KEVSOS Agreement in Finland. The Pellervo Economic Research Institute.
- The Soviet machine building industry in the 1980's. Lappeenranta Technical College.
- The effect of Soviet trade on our textile, clothing, and leather industry. Turku University, Institute of Political Economics and Social Policy.
- The sales of licenses to CEMA-countries. Tietokarki Company.
- The development of research and planning information services in CEMA-trade. Lappeenranta Technical College.
- Large investments and the development of an infrastructure in the area of border trade in the 1980's. Lappeenranta Technical College.
- Methods for initiating exports of PKT [small and medium size industrial] enterprises. Lappeenranta Technical College.
- Manual on technical cooperation between Finland and the Soviet Union. Lappeenranta Technical College.
- The structure of Soviet exports to the West and competitive marketing methods (preliminary statistical study). Western Finland Economic Research Institute.
- Opportunities for increasing and diversifying PKT enterprise imports from the Soviet Union. Western Finland Economic Research Institute.

##### Eastern Trade Projects Funded in 1983 (6 October 1983):

- Soviet planning and decisionmaking mechanism in joint operations between the Soviet Union and Finnish firms, Part 1. Helsinki Commercial College/FIBO.
- The structure of Soviet exports to the West and competitive marketing methods (preliminary statistical study). Western Finland Economic Research Institute.

- The effect of Soviet trade on our textile, clothing, and leather industry. Turku University, Institute of Political Economics and Social Policy.
- The adoption of new technology in the Soviet Union. Lappeenranta Technical College.
- The accomplishment of Finnish-Soviet scientific-technical cooperation in PKT enterprises. Lappeenranta Technical College.

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## MORE DETAILS REPORTED ON REMOVING RUBLE FROM 'BASKET'

Helsinki HELSINGIN SANOMAT in Finnish 22 Oct 83 p 24

[Article: "Ruble Being Removed From Finland's Currency Basket"]

[Text] Beginning next year the international value of the Finnish markka will be determined only on the basis of Western currencies since the Soviet ruble will be eliminated from Finland's so-called currency basket.

The Bank of Finland, which manages the value of the markka in Finland, emphasizes that this action will not affect the foreign value of the markka or the method of quoting the ruble or Western currencies in Finland. It is not believed that the elimination of the ruble from the basket will cause trade between Finland and the Soviet Union to fluctuate. Individual banks consider the dropping of the ruble to be a technical matter, but accomplished at a "slightly surprising time".

The elimination of the ruble from the basket has been expected for several weeks already. The ruble has become a problem in determining the foreign value of the Finnish markka since the ruble is so closely tied to the U.S. dollar.

Determining the value of the markka only on the basis of interchangeable Western currencies will reduce the fluctuation of these currencies in Finland.

The position of the ruble and its effect on the value of Western currencies in Finland have irritated currency experts for a long time. The ruble, which has been described as a hidden dollar, has become stronger as the value of the U.S. dollar has increased in the world. This has been a result of the fact that the Soviets have, to a great degree, tied the value of the ruble to the dollar.

As the value of the dollar has increased, the ruble has thus become more expensive. The increase in the value of the ruble has, for its part, reduced the value of other currencies in Finland's currency basket, some of which have been considered at times to be even too inexpensive.

Thus the ruble has confused the indexes which are in the final count to be used to measure Finland's competitive ability on the open markets. In the

beginning of next year the index will reflect the value of the markka only as compared to those currencies with which Finland conducts free trade.

#### Weight of Dollar 30--40 Percent

At this time the weight of the ruble in Finland's currency basket is 24.6 percent. The second largest proportion belongs to the Swedish krona, then the West German D-mark, and fourth place is held by the English pound. The effect of the dollar in fifth place in the basket is 8.8 percent.

The proportions are determined on the basis of the amount of trade Finland conducts with the countries in question. The basket contains 13 different currencies since 13 countries conduct more than 1 percent of Finland's total foreign trade. A couple of currencies have been dropped from the basket over the years since trade with these countries has fallen to less than 1 percent.

The weight of the U.S. dollar in the basket has in reality been considerably greater than its official share. This has been influenced by the fact that the Soviet Union determines the value of its ruble on the basis of its own basket. The weight of the dollar in the Soviet currency basket is 42 percent. The weight of the dollar in Finland is also increased by the fact that the proportion of dollars in the Swedish currency basket is one-fifth and more than 10 percent in the Norwegian currency basket. These weights come into Finland along with the values of the Scandinavian currencies.

Experts calculate the actual weight of the dollar to be even 30--40 percent.

#### Three Alternatives

Finland's currency basket can now be rebuilt in three different ways.

The first -- and the most probable alternative according to the experts -- is only to fill the opening left by the ruble with the remaining currencies in the basket in the same relationship that they are presently found in the basket. This alternative is further supported by the fact that the government is not proposing to abandon the principle according to which the basket only include the currencies of countries with which Finland conducts more than 1 percent of its foreign trade.

Calculated in this manner the official weight of the dollar in the basket would become a little less than 12 percent. However, the real weight of the dollar would be greater than this because of the the multiple effect of the Swedish and Norwegian currencies. In the new basket the proportion of the Swedish krona would increase to more than 21 percent.

The second alternative is to multiply the present weight value of the ruble in Finland's currency basket by multiples, which is determined in accordance with how the value of the ruble is determined in Moscow. The international value of the ruble is based on a basket containing six currencies. The value of the dollar in it is 42 percent, the D-mark 19 percent, the English pound, the French franc and the Swiss franc 10 percent, and the yen is 9 percent.

Thus, for example, the new weight of the dollar in Finland's currency basket would be the current 8.8 percent supplemented by a calculation of 0.42 multiplied by the weight of the ruble in the markka basket or 24.6 percent. The result would be 8.8 plus 10.3 or 19.1 percent.

The third alternative would be to adopt an index which would not be weighted according to Finland's most important trade countries, but which would measure competitive ability in third-party countries. According to the currency experts this would be the most difficult alternative to compile, but it would provide a more realistic reflection of the value of the markka.

#### "Bank of Finland's Policy Remains Same"

The Bank of Finland will make its own choice from these alternatives by the end of the year. Preparations for changing the structure of the basket have been going on for a long time in the Bank of Finland and a proposal on it was submitted to the government last Tuesday by the parliament's bank councilors. On Friday the government presented the issue to parliament, which will make a final decision on this matter by revising the monetary law.

General Manager Rolf Kullberg of the Bank of Finland emphasizes that the elimination of the ruble from the basket will not change the Bank of Finland's currency policy line. Kullberg even described the change in the law on Friday as a technical matter.

According to Kullberg the values of currencies will not change as a result of revising the law: "It is not a question of any kind of a devaluation or revaluation in connection with the index reform".

Even in the future the Bank of Finland will determine currencies on the basis of previous mechanisms. For example, the value of the ruble in Finland will be determined daily as before or the quoted value of the dollar in Helsinki will be divided by the quoted value of the dollar in Moscow.

The monetary law will provide the Bank of Finland with an opportunity to exercise considerable flexibility in determining the value of the ruble. In the argument for the law it is even stated that "in quoting the ruble the Bank of Finland will attempt to carry out the procedures agreed upon, but it can for various reasons adopt a quoting procedure essentially different from this".

In addition to the elimination of the ruble proposed by the government on Friday, reforms of the currency basket are being prepared in the Bank of Finland. The base year of 1974, which serves partially as the basis for the proportions of currencies in the basket, will be changed to a more recent year in the near future.

In addition to the ruble, the currencies of Austria and Spain have been removed from the currency basket since the proportion of the trade of these countries in Finland's foreign trade has been less than 1 percent for the last 3 years.

# New Content of Basket

	Current %	Next year's %
Ruble.....	24.6	--
Swedish krona.....	15.9	21.1
D-mark.....	13.3	17.6
English pound.....	13.1	17.4
U.S. dollar.....	8.8	11.7
French franc.....	4.2	5.6
Norwegian krone.....	3.7	4.9
Florins.....	3.7	4.9
Danish krone.....	3.6	4.8
Japanese yen.....	2.6	3.4
Italian lira.....	2.4	3.2
Belgian franc.....	2.2	2.9
Swiss franc.....	1.9	2.5
Total.....	100.0	100.0

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CSO: 3617/16

## BRIEFS

GDR, FINLAND TRADE AGREEMENT--The President of the Republic has authorized department chief Pauli Opas to sign a letter by which the period of the validity of the trade agreement between Finland and the German Democratic Republic will be extended 5 years and the TTT Agreement will be extended 10 years. The content of the agreements will not be changed. The continuation of these agreements will probably be ratified at a meeting of the chairmen of the mixed commission of the two countries in Berlin at the end of October. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 15 Oct 83 p 34] 10576

CSO; 3617/16

## BANKRUPTCY FEARED IF AUSTERITY MEASURES FAIL

Oslo AFTENPOSTEN in Norwegian 18 Oct 83 p 8

[Article by Ulf Andenaes: "Drastic Drop in Standard of Living in Iceland"]

[Text] How would Norwegians react if their real income were reduced by more than one fourth in one year? This is what has happened in Iceland during the past year.

The Icelanders are in the midst of a rough economic cure so ruthless that anything similar can hardly be imagined carried out in any other Western country. The background is a breakdown in Iceland's finances that causes many to fear for the country's ability to be self-supporting in the future. Everyday life has become hard for most Icelanders. When an entire population suddenly loses 25 to 30 percent of its real income, a large part of it must cut down on its consumption even further. For those in particular who have debts and have a great part of their income tied up in fixed deductions there will be less left over for use in daily expenses.

The consequences have shown up quickly: In Reykjavik, the capital, the number of persons seeking social assistance has increased by one fifth during the past few months according to what AFTENPOSTEN has learned. Sales of consumer goods, aside from necessities, have suddenly collapsed. Imports of expensive foreign goods, such as cars and television sets have come to an end. The housing market as well has folded up because few can afford to take out the expensive housing loans under present conditions.

The people of Iceland are used to economic crises, which in the course of years have resulted in an inflation of South American caliber. They have early become used to living with inflation by getting corresponding wage increases and by devaluing the Icelandic krone at short intervals.

The most serious feature of the development of recent years is that the country's production has gone down steadily. In particular, this applies to fishing, on which everything depends. The raw materials basis is failing, the fisherman's catches drop year by year because of overfishing in past years. Nor have market conditions been dependable.

On the other hand, consumption continued to increase at the same rate as before. The increasing gap between production and consumption was covered in the well known way: a foreign debt that gradually approached an insurmountable level. The result was an inflation that earlier this year threatened to become over 100 percent on an annual basis.

"We are in a more dangerous situation than the present generation in this country has ever experienced," declared Johannes Nordal, head of the National Bank in a thunderous speech he made last spring.

At the same time a new government took over, composed of the Independence Party and the Progress Party, corresponding to the Conservative Party and the Center Party of Norway. Under the leadership of Steingrímur Hermannsson of the Center Party, this government decided to initiate severe measures.

An iron-hard economic program was established. Index-regulated wage increase to compensate for inflation came to an end. It was now decided that only insignificant increases should be granted, regardless of price developments. The government drove through provisional legislation that prohibited employers and employees from negotiating any form of index regulation. In reality, this means that the right to negotiate is temporarily abolished. Subsequently, inflation has continued, with wages not keeping up.

The results of the severe measures have already begun to show up. During these months inflation has lost much of its pace, having gone down from over 100 percent to about 30 percent today. Compared to Norwegian conditions this is still an intolerable figure, but it is hoped that toward the end of next year it will be down to about 10 percent; in other words, close to an average West European level.

A surprising number of people have come to terms with their reduced standard of living and been willing to give the government's policy a chance hoping for improvement on a more secure basis later. But among large groups the waves of protest run high. When the Alþingi opened its fall session 10 October, 34,000 protest signatures were handed in against the government's economic policy from the most important wage earners' organizations. This is a large number in a country with a population of 240,000.

"For those who earn low wages the government's policy is a catastrophe," says Labor Union leader Ásmundur Stefánsson to AFTENPOSTEN. Many may lose everything they own. He also fears unemployment as a consequence of falling demand, something Iceland has been spared for a long time.

On the other hand, Vilhjálmur Eiríksson of the employers association supports the government. "There is no way around those measures," he says. "If the government is successful we can finally attain fairly normal economic conditions." The wage contract settlement next year will be decisive in the opinion of the spokesman for the employers.

In fact, Iceland has much in common with many of the nations of the Third World in the sense that the economy of the country depends upon a single raw material,

fish in the case of Iceland. However, unlike the single commodity producers in the poor, underdeveloped countries the Icelanders have had a standard of living comparable to that of the more prosperous industrialized countries.

In the opinion of economists there has been no realistic basis for this standard of living during past years. The Icelanders are now paying the price in brutal cutbacks.

Many fear that if the government's severe measures are unsuccessful and everything falls back into the old rut there exists the danger that Iceland will go bankrupt and will have to depend on its international creditors, with all import goods strictly rationed. In this case, as well, the Icelanders' standard of living will be hit, but under circumstances that will lead to a longer-lasting breakdown, threatening the country's national freedom of action.

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CSO: 3639/10

## BRIEFS

TECHNOLOGY TRANSFER TO HUNGARY--A group of Hungarian business representatives is currently visiting the Industrial Association and Export Commission. They want to work on projects in collaboration with Norwegian trade and industry. The visit is arranged by the Industrial Association and Export Commission in collaboration with the Hungarian Chamber of Commerce. There already exist a few collaboration projects between Norwegian and Hungarian industries, and the Hungarian business representatives are now taking the opportunity to gather information on their operations and actual areas of collaboration. There is foundation for entering into new collaboration agreements and there is even talk about technology transfer--among other things. The Hungarian business representatives are giving their briefings at the Indeks-House in Oslo, and the events have been coordinated with the meetings of the Norwegian and Hungarian economic commissions. [Text] [Oslo AFTENPOSTEN in Norwegian 18 Oct 83 p 31] 11256

ICEBERGS TO SAUDI ARABIA--Faith can move mountains, it is said, but Prince Mohammad al Faisal al Saud wishes to enlist the aid of technology. The mountains he wishes to move are the enormous icebergs of the Antarctic. They contain fresh water, a commodity almost unavailable in Saudi Arabia. An iceberg from Queen Maud Land contains enough fresh water to cover world needs for one year. The Prince's counsellor Shawkat Ismail has been in Norway twice to confer with Olav Orheim of the Norwegian Polar Institute. Norwegians and the Norwegian Polar Institute are among the foremost experts on the gigantic icebergs that float in the ocean around Antarctica. "Even though towing icebergs 200 meters thick, one kilometer long and 500 meters wide has not been attempted, the towing theory should not be rejected," says Orheim. According to Orheim, several nations have shown interest in this method of obtaining fresh water. In Australia, not too far from the Antarctic, it has been calculated that an iceberg containing 100 billion liters of water at the start could be towed to Perth at a cost of 250 million kroner. Converting sea water to fresh water would cost three times that amount. Nobody has turned to the Norwegian Polar Institute to obtain assistance for the towing, but to take advantage of Norwegian expertise on the movements and nature of icebergs. During the past two years the Norwegian Polar Institute has collected data on and recorded a total of 20,000 icebergs around Antarctica. Twelve nations have made records and given the information to Orheim. The Soviet Union has not yet responded. A map in Orheim's office shows concentrations of icebergs farther north than had been expected, shortening the distance to Saudi Arabia. [Text] [Oslo AFTENPOSTEN in Norwegian 28 Sep 83 p 31] 11256

CSO: 3639/10

## CRITICAL OVERVIEW OF GOVERNMENT ECONOMIC POLICY

Madrid EL ALCAZAR in Spanish 13 Oct 83 p 12

[Text] The extravagance of the socialists in their bureaucratization of the autonomous states seems to have gone beyond all restraint in its lavish spending. According to information revealed in the report on the socioeconomic situation drawn up by the Banca March, the president of the government is increasing his own 1984 allocation in the General Budget by 63.39 percent compared with this year. This is the highest percentage, with the exception of the allocation to Territorial Administration, which is rising by 143.2 percent.

The report includes--among other data bearing the stamp of socialist management--the following items:

Territorial bodies: their budget rises by 30.48 percent.

Council of state: up by 29.66 percent.

Office of the controller: up by 42.43 percent.

Public debt: rises by 53.77 percent.

Foreign affairs: up by 24.95 percent.

"Various ministry expenses": rises by 23.32 percent.

Interterritorial compensation fund: up by 37.41 percent.

Royal palace: rise by 16.67 percent.

The size of these increases over 1983 form a contrast with the ones reported in other sections like education and culture, departments which will only increase by 5.39 percent and 7.62 percent respectively. There is also a decided contrast with the budget for passive classifications, which rises by 7.2 percent, or the expected wage increase of 6.5 percent.

As for the income which the state expects to receive in 1984, it should be noted that the amount collected through taxes on income will grow by almost 30 percent, the estate tax by 36.79 percent over the amount which was collected

up to now, the special inheritance tax by 67.88 percent, the general tax on business traffic by 36.01 percent, special taxes by 28.11 percent, taxes on luxury items by 22.21 percent, and rates by 21.11 percent.

The public treasury expects to increase its income from indirect taxes by 23.79 percent. All in all, it will collect 20.46 percent more from taxes than in 1983.

It should be noted that as a result of a budget of this size the deficit will reach 1,331.49 billion, 5.5 percent more than the Gross National Product. As an important background note, it can be seen that recourse to the Bank of Spain in the first 8 months of this year has been on the order of 437.97 billion pesetas, while in the same period of last year, the figure only totalled half that amount, some 220.87 billion. Other data on the socioeconomic situation collected in the Banca March report show that the foreign debt has increased "enormously," to the point of reaching almost 29 billion dollars. Labor sts seem ridiculous, because in Spain they stand at 611, while in the seven industrialized countries they range at around 285. A "dangerous" deficit in the current account balance, caused by the crisis in production, low growth of productivity and pressure from public spending, is reported.

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## LOW PROFITS KEYED AS REASON FOR DOWNTURNED INVESTMENT

Madrid EL PAIS in Spanish 21 Oct 83 p 50

[Article by Antoni Garrido, Esteva Sanroma, and Joan Trullen, economists]

[Text] In this article the authors maintain that increased profits, and not the business surplus, are the key factor determining increased investment. The financial system, in its function of channeling savings toward investment, has absorbed all of the surplus generated by the wage restraint policy implemented by the Moncloa Accords.

The decline in the business surplus has been considered almost unanimously as the determining cause of the sluggish state of investment in Spain's economy. It has been argued that excessive wage pressures bring about such a surplus and thus prevent the formation of strong profit expectations. From this diagnosis it is then deduced that restraining wages, by improving these business surpluses, would stimulate an investment recovery, and would at the same time improve employment levels.

A number of studies, though, have recently shown that businesses have been steadily improving their operating surplus, while in general, investment has been showing negative growth rates. In fact, the wage restraint policy initiated in the Moncloa Accords, as it means a growth in nominal wages less than the growth of the PIB [Gross Domestic Product], does permit an increase in the participation of the operating surplus in the PIB. In this way, wage earners are breaking with the trend recorded since the beginning of the 1960s--to increase their relative participation in the distribution of income--thus playing the role assigned to them in order to overcome the economic crisis.

If we focus our attention on all non-financial businesses, we can see a clear upturn in their operating surpluses. In fact, as is shown in the chart on the next page, since 1978 there

has been a considerable increase in the participation of the gross operating surplus of these firms beyond their own added value. Since the percentage reached in 1981 is higher than that attained in 1972, an expansion of investments and a high rate of economic growth should be expected. Note that in 1972 the rate of growth of Spain's economy in real terms was 8.6 percent, while the latest data available for 1981 place this rate in negative terms (-0.2 percent). So we may well wonder why the upturn in the operating surplus of these non-financial businesses has not had a clear impact on investment.

#### Financial Costs and Business Surpluses

##### Percentage of gross operating surplus over added value

1970	1971	1972	1973	1974	1975
53.2	52.5	50.5	49.7	50.2	48.9
1976	1977	1978	1979	1980	1981
49.0	48.6	49.5	49.9	50.8	51.7

##### Percentage of real net interest paid on gross operating surpluses

1970	1971	1972	1973	1974	1975
4.3	4.4	4.7	5.1	5.4	6.6
1976	1977	1978	1979	1980	1981
7.5	8.4	9.1	9.1	--	--

Note: Variables refer solely to non-financial businesses.

Source: A. Garrido, E. Sanroma, J. Trullen: "Savings Trends in the Spanish Economy, 1964-1981," Barcelona, 1983.

#### Surplus and Profits

In our opinion, investment is not so much a function of the operating surplus as it is of profits; therefore, increases in the operating surplus will be reflected in larger investments only in the case in which higher profits are supposed. For this reason, it is necessary not to identify the operating surplus with business profits. Thus, a smaller part of the

surplus (about 4 percent) is used to pay taxes; income from property and from the business--interests, dividends, rents, etc.--make up the bulk (about 70 percent); while the rest is held in the form of business savings.

Profits include primarily all dividends, part of mixed earnings, and all net business savings. Observe that an increase in the operating surplus may be used to pay taxes or to pay back outside capital without necessarily supposing an increase in the business's profits.

During the 1970s it was found that the participation of taxes in absorbing the surplus did not vary in any significant manner. However, as the preceding chart shows, the participation of financial costs doubled between 1970 and 1977; it is estimated that these costs at the present time are triple the initial figure of 4.3 percent, and thus absorb about 13 percent of all business surpluses. In our opinion, this unusual increase in financial costs is the fundamental explanation why the upturn in this surplus has not been translated into higher profits, and as a consequence, here we find one of the causes for the lack of investment.

#### The Financial System

The increase in financial costs for businesses essentially follows a simultaneous increase in the active interest rates of the banking system, though we should not underestimate the similar impact of other financing sources (foreign credit, the issuing of fixed income securities). Although we are not going to analyze all of the factors involved in this increase, we must point out the role played both by the considerable surge in the costs of attracting liabilities (adoption by the public of expectations of inflation in demand for repayment of savings) and also the expansionist behavior in intermediation costs (excessive expansion of branch offices).

It should be made clear that the banking system as a whole has shifted these costs onto the production system, which does not have sufficient alternative financing channels.

In light of such behaviors (automatic transfer of cost increases) and considering the manifest downward inflexibility of interest rates, we must conclude that the mechanism which determines the interest rate seems not to be governed by the logic of the competitive market, and is clearly contained within an oligopolistic structure. Aside from its practical results, the cartel which attracts savings, euphemistically known as the "Gentlemen's Agreement," which has been highly praised

by the nation's leading economic authorities, is simply a materialization--from the aspect of liabilities--of the oligopolistic behaviors we have just mentioned.

The financial system, in its function as a channel of savings toward investment, has absorbed all of the surplus generated by the wage restraint policy, and "more than this," as Bryan Ferry would say. As we see in the preceding chart, in 1973 non-financial businesses used 2.5 percent of their added value to pay net interest costs. At present this figure is close to 6 percent. During the same period, the weight of compensation of the employees of these firms in relation to their added value declined from 50.3 percent to 48.3 percent. Therefore, the financial system has collected higher percentages of earnings, including earnings made available by the wage restraint policy.

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## GOVERNMENT APPROVES ELECTRIC POWER PLAN FOR 1983 - 1992

Helsinki HELSINGIN SANOMAT in Finnish 7 Oct 83 p 29

[Article: "Government Did Not Take Stand on Nuclear Power Plant"]

[Text] The government is not taking a stand at this time on the construction of a new nuclear power plant. On Thursday the State Council approved a general plan for the management of electricity for the years 1983--92.

Also the government did not take a stand on the construction of a new hydro-electric power plant, but will return to this issue later. The plan was approved primarily on the basis of the proposal made in the beginning of this year by the Electricity Management Commission. However, the commission presented its estimate that a 1,000-megawatt nuclear power plant will be needed to cover the increase in the need for electricity at the beginning of the next decade.

However, the State Council did not want to take a stand on the power plant in question at this time.

The State Council considers that the preparation for decisions concerning the construction of new nuclear power plants will take place on the basis of those principle which are contained in the nuclear energy legislation now being prepared. According to these principles the Electricity Management Commission will not function as an organ making decisions concerning the construction of nuclear power plants.

Thus the State Council is dissociating itself from the proposal of the Electricity Management Commission. Also the State Council is saying that "the predictions presented in the general plan are by nature estimates and do not represent the State Council's positions on the development of future economic growth, the growth of the need for electricity, or energy policy".

The general plan now approved is based on the same estimate of demand for electricity as in the previous plan and the premise of the estimate is the previously accepted average annual 3-percent growth of the gross national product.

## New Power Plants

The construction program for power plants in the general plan includes the same three thermal power plants which were included even in the previous plan or Tampere, Kajaani, and Kuusankoski.

The new thermal power plants in the plan will be located in Forssa and Pori.

The gas turbine plant at Olkiluoto is still included in the program. It is proposed that four industrial process power plants be constructed. Included in this plan are the Kemira project in Pori and the Neste project in Porvoo from the previous plan as well as the new projects involving Metsä-Botnia's project in Aanekoski and the Tervakoski Corporation's project in Tervakoski.

The government is not taking a formal stand on the construction of hydropower for the reason that the construction of hydroelectric power plants does not require a construction permit in accordance with the electricity statutes, but the issue is regulated by the water management law.

The Electricity Management Commission announced at one time that construction work on five- or 10-megawatt electric power plants should commence in the years 1983--85.

The government has announced that it will return to the issue of constructing small hydroelectric power plants at the end of the year when it conducts a more extensive debate on energy questions.

The Electricity Management Commission proposed the construction of the following hydroelectric plants: Portimokoski in the Tengeliö River system, Kyroskoski in the Pappila River, Raasakka's 3rd plant in the Ii River, Kurittukoski in Kitinen, and Kollaja in the Ii River. However, the government did not take a stand on this proposal at this time.

As far as new electric transmission projects are concerned, the general plan includes the 400-kilovolt service connection at the Kemi Station, the 110-kilovolt Ahvenlampi--Kontiolahti and Veitsiluoto--Kemi transmission lines, the 400/110 kilovolt transformer stations in Kemi and Tammisto and the 220/110 transformer station in Alajarvi as well as the 110-kilovolt switching plant in Kontiolahti.

## Investments of 1,700 Million

The construction of the power plants included in the general plan will mean a total investment of approximately 1,700 million markkaa in the years 1983--89 and the construction of electric transmission equipment in the years 1983--87 will mean a total investment of 330 million markkaa.

It is estimated that the total consumption of electricity will increase approximately 60 terawatt hours in 1992 while in 1980 it was approximately 40 terawatt hours. In 1992 the load peak for electricity will rise to approximately 10,250 megawatts while in 1980 it was 6,600 megawatt hours.

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## INDUSTRY ASSOCIATION: 500 ADDITIONAL MEGAWATTS NEEDED BY 1990

Helsinki HELSINGIN SANOMAT in Finnish 15 Oct 83 p 33

[Article: "Additional Need for Industry More Than 500 Megawatts"]

[Text] Industry will need 500--700 additional megawatts of new basic power around 1992--1993. This becomes evident from a recent report, which was compiled by the Association of Industrial Electricity Producers on the timing of a need for new basic power and which was made public on Monday.

However, the timing of additional basic power should occur a few years before it becomes compulsory due to a quantitative sufficiency of capacity, stated Managing Director Marnus Buchert. According to him a somewhat flexible capacity situation will make it possible to produce cheaper electricity than in an extremely critical situation.

The economic recession has slightly reduced the estimated need for basic power and has postponed its timing by approximately 1 year. This does not, however, essentially change the earlier prediction according to Buchert, but reinforces its results.

The use of electricity by industry in 1980 amounted to 22.9 terawatt-hours. According to a new inquiry the use of electricity by industry will increase to 30.4 terawatt-hours by 1990 or 1 terawatt-hour less than in the previous estimate.

In 1995 industry's need for electricity will be 34.7 terawatt-hours on the basis of a consumption estimate obtained over a period of time while it was estimated to be 35.3 terawatt-hours in the previous prediction.

In 1980 the forest industry used a total of 13.3 terawatt-hours of all the electricity consumed by industry. Its proportion in 1990 will be 18.1 terawatt-hours and in 1995 it will be 21.5 terawatt-hours according to the report.

There will be a need for new capacity above and beyond what can be produced by process power, approximately 150 megawatts in 1990 and approximately 700 megawatts in 1995. As adapted to the nationwide need and to the construction program for district heating power, which occupies a central position, this will mean that there should be 500--770 megawatts of new basic power for the needs of industry around 1992--1993, stated Buchert.

## ONE HUNDRED FIFTY MEGAWATT POWER PLANT TO START OPERATION

Helsinki HELSINGIN SANOMAT in Finnish 17 Oct 83 p 9

[Article: "Salmisaari B-Plant Costing 600 Million Markkaa"]

[Excerpts] The outer shell of the Salmisaari B-power plant is almost completed, but the work pace inside is only just now accelerating. Equipment worth a full 400 million markkaa is being installed in the power plant. The whole project will have consumed 600 million markkaa even before the plant is put into operation at the end of next year.

Section Chief Martti Aho of the Helsinki Energy Utility states that the work at Salmisaari is now progressing according to plan.

Construction work faltered for a long time at the beginning. The reasons were bad weather in the previous winter and, above all, a shortage of construction workers.

The original intent was that the construction work would be completed before the installation of equipment was to commence. Now these jobs must be accomplished simultaneously. However, the emphasis is now clearly on installation.

The assembly and installation work will reach its height next March when it will require the work of 300 men.

Everything is supposed to be completed by the beginning of November of next year. Then experimental operations will begin. A month and a half later the plant will begin producing electricity and municipal heating for sale.

The Salmisaari B-plant will satisfy one-fourth of Helsinki's need for electricity and municipal heating. The output of the plant will be 150 megawatts. Along with electricity the plant will produce 270 megawatts of municipal heating under normal capacity. The amount of municipal heating can be increased to a maximum of 350 megawatts, which is nearly double the capacity of the Salmisaari A-power plant.

## Old Power Plant To Be Closed on 1 May

The old power plant at Salmisaari has served the residents of Helsinki for 30 years. Its operations will cease from the beginning of May when the plant's old equipment will be disassembled.

However, this splendid edifice will not remain idle, but a new coal-operated hot water boiler will be installed in it. Also the new power plant will not have room for a workshop, warehouse, and dining room, but renovations for their accommodation will be made in the old power plant.

The exterior of the A-power plant will remain as before in spite of its new use. Along with its neighbor, the Alko [State Liquor Monopoly] plant, it will form a totality, which is considered valuable from the point of view of the urban environment.

The demands of the neighborhood have also had their effect on the planning of the new power plant. Included in the planning were the same architects who were praised for the design of the Hanasaari B-power plant. The drawings were made by the architectural firm of Penttila, Saarela, and Lind Architects.

The Salmisaari B-power plant was criticized in advance as being too massive. After a dispute the height of the plant was lowered somewhat. The maximum height of the structure was defined to be 65 meters. Only the boiler room in the middle of the power plant, however, rises to this height. Otherwise, the height of the power plant will be a little less than 50 meters.

According to Section Chief Aho an effort was made to make the exterior of the plant appear as light as possible. In his opinion the talk of too large of a mass was exaggerated.

On the other hand, it was decided to make the smokestack of the plant 30 meters higher than what was stipulated by the study made on the diffusion of combustion gases. It is 150 meters high or the same height as the smokestack at the Hanasaari B- plant.

The smokestack was constructed of slip-form reinforced concrete according to modern techniques. The era of smokestacks constructed of beautiful bricks is over.

At this point the equipment to be installed in the power plant is valued at 440 million markkaa. According to Aho the proportion of domestic purchases is large even though there is no precise report on the domestic level of input into the construction of the plant.

The power plant's largest piece of equipment is the steam boiler, which will be delivered by the Ahlstrom-Varkaus machine shop. The price of the boiler is more than 100 million markkaa.

The turbo-generator is presently being installed in the plant's turbine hall. The work is being accomplished by a Hungarian assembly team. The plant's

turbine is of Hungarian manufacture and the generator was built in Switzerland.

The Siemens Corporation is also delivering equipment to Salmisaari. The value of its deliveries will be a little more than 10 million markkaa.

The energy utility is presently trying to determine whether a practical solution can be found for the transporting of coal.

Moving coal ships to the other side of Porkkala Road would require the construction of a new harbor. Another problem would be how to transport the coal from the harbor to the coal field; would the coal be transferred above ground, underground, or along the surface.

Aho doubts that long transport distances would turn out to be difficult. He hopes that a relocation of the harbor can be avoided.

The energy utility believes that congested could be avoided simply by means of a traffic light system. The traffic could be directed by lights to Lansi-vayla when the through bridge has to be opened. The plans for a new traffic light directional system have already been completed.

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## GEOLOGICAL RESEARCH ACTIVITIES IN ANTARCTICA SET

Oslo AFTENPOSTEN in Norwegian 17 Oct 83 p 48

[Article by Torill Nordeng: "We Go In For Antarctica"]

[Text] Norwegian Polar Institute's research tradition in the Antarctic is being maintained. Provided the Storting gives its approval Norwegian researchers will receive 10.8 million kroner for cruises in the Antarctic during 1983/84. With extra support from the research institutions, a large maritime program is being prepared, with main stress on geological investigation of the sea bottom. "Ice spread in the Antarctic can explain the geologic development of the North Sea," says glaciologist Olav Orheim, the leader of the cruise. Another nation making great efforts in Antarctica is India, which spends ten times as much as does Norway on such research.

The plans for a new Norwegian cruise in the Antarctic under the auspices of the Norwegian Polar Institute has been met with great interest by Norwegian research institutions. Forty-two project proposals with a total of 50 participants have been evaluated by the planning committee. Last Thursday, 14 projects with 22 participants were given approval.

"For the present no decision has been made about what ship is to be used. If we obtain one with space for more than 22 researchers, we have a waiting list with many names and many wishes we shall try to accommodate," says Orheim. For previous cruises the Norwegian Polar Institute has made use of the ice-breaker Polarsirkel, which has space for about 25 researchers."

In addition to extensive marine geologic and geophysical projects, coming Antarctic cruises will include oceanographic measurements and drifting ice research. A shore program in the Muhling-Hoffmann mountains 200 kilometers from the coast in Queen Maud Land is also included. A small bird, the Antarctic petrel, breeds here in the desert of ice. To obtain food it must fly enormous distances. The question is how the bird stands such a life and from where it gets the energy.

The Norwegian Polar Institute will also continue mapping work in the Antarctic. Orheim justifies this as of practical use, but also on the basis of sovereignty significance.

As concerns potential profits from possible exploitation of minerals in the Antarctic, Orheim does not wish to encourage too high expectations. In his opinion something epoch making must take place before it will be possible to mine minerals hidden under layers of ice several hundreds of meters thick on shore.

"At sea, the situation is somewhat different. If a field larger than the Stafjord field in the North Sea is found it may possibly be exploitable. It is not impossible to develop the technology to exploit oil deposits, and areas containing sediments that should contain hydrocarbons, an indication of oil, have already been discovered. No commercial exploitation of the resources of Antarctica will take place before an international minerals agreement has been agreed to within the framework of the Antarctic treaty, Orheim thinks.

Concerning the assertions to the effect that Norway can be regarded as imperialist in the Antarctic race up to 1991 and the treaty revision, Orheim has this to say: "It is not a question of being imperialistic in the Antarctic, but we do wish to be part of the development that takes place and to act as bridge builders so that there will be control that as many as possible can benefit from.

This fall, by the way, two new nations, India and Brazil, have been recognized as consulting states within the treaty system. During the past two or three years India has shown great interest in the Antarctic. About 100 million kroner is now being used (by India) to lease a Finnish icebreaker and to establish a wintering station in Queen Maud Land.

Nor does India, a poor underdeveloped country, seem to have trouble paying for these expenditures in hard currency, says Orheim.

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## INNOVATION, LARGE INVESTMENTS NEEDED FOR ENVIRONMENT

Duesseldorf WIRTSCHAFTSWOCHE in German 7 Oct 83 pp 80-90

[Text] In connection with environmental protection, German industry is faced with a revolutionary change, which presupposes gigantic investments and above all the determination to innovate. The future lies in technologies which simultaneously ease the burden on the environment and increase productivity.

A few days after the Federal Cabinet had agreed to the executive order on large furnaces, which was intensely opposed by the power industry--the federal states had even seen to it that the draft was tightened up--a member of the board of directors of a well-known installation firm spoke with the North-Rhine Westphalian minister of economics, Reimut Jochimsen. "You know," the manager said, "now the battles are over, and I can speak quite frankly with you: Of course, we can observe the emission values that have been ordered. What is more, we can even guarantee them. But until now we were not allowed to say a word."

Nothing characterizes the discussion concerning environmental protection during the past few years more than this frank statement, which to be sure must not be cited with indication of the source. "Otherwise we can close up shop," according to the member of the board of directors of an enterprise which manufactures desulphuration installations for flue gas. "For the managers of power plants have made it very clear to us that we not make public everything which is technologically feasible for us."

For now as before, enterprises as well as politicians orient themselves on the basis of the concept of "the state of technology", which was invented by legal experts--a concept whose consequences the Mannheim economist Horst Siebert characterizes as follows: "If one follows Schumpeter, it is the task of the entrepreneur to carry through new technical combinations. According to the TA [Technical Supervisory Board] for Air, however, he has the task of having to prove the unfeasibility of new technical solutions."

Most recent example: The posture of the automobile industry with respect to the subject of "leadfree gasoline". While some, led once again by a state-owned enterprise (VW), predict the most serious problems, BMW, in its more recent advertising, is making propaganda with the following words: Assuming the appro-

gasoline, this motor can, of course, be used in Europe. And this without the frequently discussed disadvantages with respect to performance and consumption."

When keeping the air clean is at issue, every newly invented installation, of course, leads to a new definition of the state of technology--and thus, as a rule, also to stricter legal requirements. Consequently cartels are formed, which, well organized by the unions, keep progressive pioneer enterprises in control, with references to supposedly threatened jobs, so as not to be measured by their standards.

Still worse--in spite of some successes--are things in the sphere of waste water. For there the state of technology is defined much more generously: The installation form elevated to the level of a regulation must already have penetrated the market here before it can be made a requirement for other enterprises.

"Where is the dynamic for innovation supposed to come from," asks the Munich enterprise adviser Rainer Nolte, whose "Institute for Chemical-Technical and Economic Research and Advice Ecotec" has specialized in innovation research in the sphere of production and environmental technology. And innovations in environmental protection--this in the meantime probably the last forest farmer has probably recognized--could very well be the last chance of the industrial nations. And this even in two respects: For, on the one hand, the destruction of living space must be stopped and, on the other, economically meaningful new fields of activity must be found for an "aging economy" shaken by structural crises.

As so often before the Japanese are once again ahead of the others. Already 10 years ago, a radical switch was made in Japan. If at that time policemen with breathing masks at intersections with heavy traffic belonged to the street scene in Tokyo, today even in this congested area the air is once again relatively clean. At the same time, the Japanese--no wonder--are leading worldwide in desulphuration. That time is pressing in this regard is obvious. According to OECD estimates, environmental damages in the member states in the meantime amount to 3-5 percent of the gross social product, i. e., 40 to 70 billion marks a year.

In this country in the meantime the forests dying. At the beginning of November the Federal Government will announce the most recent surveys, according to which probably more than 20 percent of the German forests are diseased. The forestry officials and the scientists, the economy and politics are helpless. Hardly anyone still believes that the diseased forest areas--throughout Europe they amount already to 1.5 million hectares--can still be saved. Forestry director Hans Biebelrieder, chief of the Bavarian National Parks: "For this, everything is moving much too fast. In the last stage of damage, 100-year old fir trees require in the majority of cases only 4 months until they are cut down."

But the threatening environmental crisis exists not only in the air. The minister for environmental affairs in Hesse, Karl Schneider, deplores the hardly still controllable development of poisonous waste. Although connection to the special waste depository in Herfa-Neurode with storage possibilities of 240,000

at a depth of 700 meters is mandatory, the authorities of Hesse in addition have to issue an incredible number of special waste certificates for small and large poisonous wastes, whose actual transport paths--as the Seveso-poison case demonstrated--cannot be traced: Last year alone there were 125,000 certificates.

After water, air, noise and increasing problems with respect to waste disposal, the next environmental problem is developing. The soil is endangered. In Hesse alone, 10 hectares are covered with concrete every day. Under the slogan "Save Our Soils", the associations for the protection of nature already now are warning against the total contamination of the soil through heavy metals and nitrates (the latter, above all, through excess fertilization in agriculture).

Approximately 63 billion marks, according to the rough estimates of experts, have been invested by industry in environmental protection between 1970 and 1981. Another 90 billion were expended by the state. The Ecotec ascertained an investment volume of 85 billion marks for the current inventory of installations and foreseeable future environmental protection measures for German industry.

And the costs are increasing at a disproportionately high rate if one intends to reduce the harmful substances further--at any rate if equipment is installed which is inserted after the production process. The desulphuration of a refinery in conventional construction, the Mineral Oil Trade Association calculates, attains a conversion of hydrosulphide of 95 percent. A third reactor increases the conversion to 96 percent, the construction costs for an additional percent of effectiveness increase already by 20 percent. If a pollution abatement facility is added [after production], which brings the conversion to 98.5 percent, construction costs already double.

If industry wants to attain as much as 99.5 percent, threefold investment costs must ultimately be anticipated. Nevertheless many new industrial installations manage--especially in connection with dust separation--an almost 100-percent filtration of their outgoing air, often enough self-manufactured because the market does not have anything suitable to offer.

It is rather the old installations which, with innumerable exceptional regulations, determine the emission situation in all densely populated areas and for this reason, in spite of enormous protest actions by the operators, have been included in the executive order on large furnaces. At the end of 1982 the concept of "old installation" in the case of hard coal power stations alone included 300,000 megawatts, of which 20,000 megawatts are now subject to the strictest requirements with respect to desulphuration (retrofitting or shutdown by 1993). Of the 13,000 megawatts of brown-coal-fired electric power producers, 10,500 megawatts fall under the new legal regulations. And the old installations also still include capacities of 10,000 megawatts which are produced in oil-fired power plants. However, in 1982 only 2,400 megawatts (hard coal), 300 megawatts (brown coal) and 150 megawatts (oil) were desulphurated, another 11,000 megawatts were planned by 1995 or already under construction prior to the adoption of the new regulations. But in view of the emissions to be expected, these periods are much too long for many critics. Freiburg professor Erwin Niesslein estimates the reduction of harmful substances by 1995 at only 15 percent. "But we need 70 percent reduction."

To be sure, state organs--as, for example, the president of the Duesseldorf administrative district--are having increasing success in including the restoration of old installations in tough negotiations concerning the authorization of new installations, especially since the clauses of the Technical Supervisory Board for Air in the meantime offer the necessary latitude for this. But now as before, local politicians must, in the individual case, listen to calculations of how many jobs will be lost on the spot if exceptional regulations are not granted.

And exceptions have become the rule in the matter of environmental protection, because time and again the subsidy clause in regard to the "economic justifiability" must serve as an excuse. But what enterprise will admit that sudden increases in expenditures, which come about as the result of insufficient adaptation, are "economically justifiable"? What official will undertake to prove the opposite? Exception clauses are nothing else than subsidies, with which structural change is prevented and competition is distorted.

Thus the current reflections of the Bonn government--the ministry for economics and the ministry of the interior are equally responsible--focus on the question of how the self-interest of industry in environmental protection can be more strongly encouraged in line with Kohl's government statement of policy.

For even generous offers of grants-in-aid have not been able to bring about the breakthrough by a long shot. Of 560 million marks, which the Federal Government had made available since 1979 for the replacement of old installations as 50 percent subsidy, just 330.7 million marks were authorized after three years (status as of 1 July 1982). The chemical industry, the power industry and the mining industry, the latter at other times always in the forefront when there were subsidies to be collected, showed themselves to be distinctly uninterested, because they did not want to advance the "state of technology". In the meantime, however, the Federal Office for Environmental Protection has succeeded in finding enough enterprises which, in view of the financial incentives and the foreseeable tightening up of the laws, have broken through the discipline of the associations. For the manufacturers of flue gas desulphuration installations, which are based on the principle of fluidization firing, the reticence of industry is not exactly useful. To be sure, pilot installations are encouraged by the Federal Ministry for Research and Technology, "but our export clients want to see real reference installations within our country". Otherwise, according to the project manager of a construction firm for the installations, no deals can be made. To be sure, because of the highly-developed German technology, foreign clients are already standing in line, but the interest can be converted into purchase orders only when functioning domestic installations prove that the promised values can be observed in normal operations as well. For this, however, there is, on the one hand, not yet sufficient demand on the part of domestic users, but also not enough public support.

However, the future chance of the German environmental protection industry lies also precisely in export. Up to now the export share, measured by such industry sectors as machine building, with only 25 percent is comparatively modest.

Added to this is the fact that the environmental protection industry, too, has by far not become a great growth industry. To be sure, the federal minister of

the interior, Friedrich Zimmermann, is glad about the investigations of his namesake Klaus Zimmermann of the Scientific Center in Berlin, who, proceeding from a supply analysis, recently calculated a turnover volume of 27 billion marks (1980). But the Ifo Institute in Munich, in a study thus far kept under wraps in the ministry of the interior in Bonn, has checked the figures and discovered discrepancies in method. Demand-oriented, it arrives instead at barely half, however without building investments since these are very difficult to define. To that extent we must warn against praising the environmental protection industry already now, much too early, as the prospering compensation for industrial cuts in other spheres.

Nevertheless the Ifo-Institute, too, calculates about 100,000 jobs for 1980, which are paid for by the demand for environmental protection investment goods. And above all the business expectations, which 420 of 1,360 environmental protection enterprises surveyed have indicated, are to be assessed positively.

Asked about the factors for the development of demand to 1985, the enterprises most frequently named simply the laws. Next in line were the following: Domestic development with respect to economic activity, execution of requirements, financial situation of the public authorities, environmental consciousness of the enterprises, and finally state financial support in last place. From the perspective of the environmental protection enterprises, this speaks for the frequently advocated view that only exceedingly tough laws can force the actual push for innovation.

Asked about business expectations, 58 percent of the enterprises anticipated turnover increases until 1985, 36 percent--constant turnover, and only 6 percent--a retrograde development. More employees are expected by 65 percent (a constant number--by 28 percent, and a decreasing number--by 7 percent), and export increases are regarded as probable by 52 percent (constant--by 42 percent, and reduced--by 6 percent).

Confident, as far as the future is concerned, is for instance Hubert Staerker, chief of the Augsburg Zeuna-Staerker GmbH [company with limited liability] & Co. KG [limited partnership] if serious steps are taken in regard to the introduction of leadfree gasoline: "If that becomes law in our country, we can create a lot of jobs in Augsburg." The 500-man enterprise is Europe's market leader for the installation of exhaust gas purification equipment in passenger cars. Zeuna has already installed more than half a million ceramic exhaust gas catalysts in monolithic form for BMW, Daimler-Benz and Volvo (to be sure only for export, especially to the United States).

Whether such examples in the future will have merely an alibi function or encourage structural change, depends to be sure also on the unions. German industry must at last come to understand that the in part surprising legal measures, the Technical Supervisory Board for Air, the executive order on large furnaces, and lead-free gasoline, can only be the beginning for the Federal Government. Minister of the Interior Zimmermann: "Further progress must be made."

Industry should comprehend as an opportunity what Federal Chancellor Kohl took

up in his government declaration of policy: "The self-interest of industry in environmental protection must be strengthened. Production processes that are inimical to the environment must not be profitable. Behavior which is friendly to the environment must also be economically profitable."

But how is the self-interest of industry to be mobilized if not through the cash register? Shell-chief Hans-Georg Pohl advocates an optimum of a "combination of requirements and incentives" (see interview).

The available set of instruments is described by Lutz Wicke of the Federal Office for Environmental Protection:

- Environment taxes,
- Environment licenses (emission certificates),
- Tax relief for suppliers, for users or for both simultaneously,
- Flexible requirement solutions according to the American model, perhaps offset policy, bubble concept, netting out and emission reduction banking.

These U.S. concepts meanwhile are also being discussed by German industry (see WIRTSCHAFTSWOCHE 33/1983).

--Offset policy is practically much like what administrative district president Rohde has been pursuing for some time with good success. New installations are only authorized if existing installations are either closed down or their emissions are considerably reduced.

--Bubble concept combines, on application, several enterprises under an "emission bell", with which a (reduced) maximum value for the emission of harmful substances is determined. In so doing, the enterprises can negotiate among themselves the measures that are to be taken and jointly implement the avoidance technologies and finance them where they are least expensive.

--Netting out makes possible the omission of an entire authorization procedure if no additional emissions develop.

--Emission reduction banking gives enterprises credit for the overfulfillment of legal requirements. These emission credits can be sold to other enterprises or be used again for their own later investments.

Each of these instruments has advantages and disadvantages. Environment taxes which are supposed to abolish themselves are significant only if they achieve the aspired-to notification effect: As in the case of the waste water tax, they must leave the enterprises time for investments in order to save the tax. And that, too, works only if the taxes are set at a sufficiently high level.

The trade in emission certificates, presently being discussed in the Federal Ministry for Economics, too, is problematical. To be sure, the example of the United States shows that this model can work. Here emission limits are fixed and permits for a certain harmful substance are issued, which can then be traded on an emission exchange if they are not used themselves. Since these environment licenses--ordered by the state--lose in value every year, there is an incentive to sell them soon or to make use of them soon.

Experts, however, fear, in addition to the danger of hoarding and monopolization, a far too large administrative apparatus, the prejudice to areas in whose vicinity contaminators of the environment have "redeemed" themselves to the limit of the emission value, and finally also public emotions, which may regard the trade in environmental pollution as cynical.

Concepts like the bubble concept appear to hold greater promise of success.

Professor Otto Rentz of Karlsruhe recently drew up a vehemently discussed account at a Shell Symposium on environmental protection in Bonn: If the emission values of the executive order on large furnaces were applied with the bubble concept to a power plant with 6 blocks (150 to 400 megawatts), about 20 percent of the investment costs for desulphuration installations could be saved according to Rentz. The different age of the boilers, the different costs per separated ton of sulphur dioxide, and the different fuels and the varying number of operating hours make possible a more efficient medium distribution according to the bubble concept.

Given the normal execution of the executive order on large furnaces, Rentz arrives at 198 million marks in investment costs for the desulphuration of flue gas. In case of the bubble concept, he ascertained costs of 166 million marks with the same emission.

Enterprises such as BASF (for the Ludwigshafen installations) are at the moment intensively involved in checking such examples. The BDI [Federation of German Industries], too, is showing interest.

Of course, most of these proposals have a decisive disadvantage: Many years pass by before appropriate administrations are built up, laws are passed, and experience has been gathered. And the concepts, after all, are supposed to have one effect: To stimulate innovations in the long run, to bring a lasting dynamic into the necessary structural change.

As necessary as it, therefore, is to install these long-due market economy measures for the future, Germany's forests cannot wait that long. If economic incentives are still to have something of an effect, they must take a hold as soon as possible.

Industry, therefore, must pursue more intensively than ever before the path which simply and solely holds out the prospect of short-term success: The turning away from the expensive installation of after-inserted filters and dirt catchers, the turning towards new process technologies which simultaneously achieve also an improvement in productivity with--and frequently precisely with the aid of--less of a burden on the environment.

Thus, for example, the Inovon GmbH & Co. M + B (Pforzheim) and the Dornier System GmbH (Immenstaad) waste disposal processes that combine environmental relief and increased productivity. Their waste disposal process is concerned with the recovery of metals from the waste water of electroplating enterprises. After all in the federal state of Baden-Wuerttemberg alone about 37,000 tons of galvanic sludge with approximately 4,000 tons of in part highly toxic metals occur every year. For the FRG as a whole, it is as much as 135,000 tons

(1980), of which only 7 percent are reutilized--in the innovation-inclined Baden-Wuerttemberg, by contrast, already more than 14 percent.

Warned by the catastrophic health damages, which in the 1960's had developed from the consumption of rice containing cadmium in Japan, scientists in this country, too, tried to come to grips with the problem of heavy metals. The new waste disposal process was tested in a 3-year-long pilot experiment. Result: The salt content caused by the 50 connected enterprises could be reduced by no less than 90 percent, the emission of heavy metals to less than 1 percent of the prevailing value. The recovered metals, moreover, can be fed into a recycling process, and thus the harmful substances can be contained within a closed circuit. Considerably more than 100 installations of this type could be sold in the meantime throughout the FRG. Enterprise adviser Nolte: "The recycling circle must be considerably extended."

For one problem is becoming increasingly recognizable: Without adequate waste disposal strategies for the ever-increasing wastes in the production process, the burden on the environment in the long run is merely shifted from one medium (for example air) to another (for example water, soil). For this, however, market transparency and much more advertising are necessary.

Meanwhile the marketing trade is attaching increasingly great significance to the advertising aspect. Behavior researcher Irenaeus Eibl-Eibesfeldt, in the trade paper *WERBEN UND VERKAUFEN*: "Protection of the environment must to an increasing extent also become the central subject of advertising as well."

During the past few years, numerous enterprises, using their own design and construction--frequently under the pressure of legal regulations, but also affected by the scarcity of oil and the increase in price of other raw materials--have introduced process controls and developed recycling methods which deserve worldwide attention.

Nevertheless there are limits. "The problem here," according to enterprise adviser Nolte, who for 53 industries has analyzed the production processes used today and the market for processes of environment technology, "is the specialization and decentralization in the enterprises. To develop process technologies which are more friendly to the environment and which simultaneously increase productivity requires a high degree of intra-enterprise communication and a particularly effective overlapping analysis of the enterprise. Here, too, in practice the old innovation problem crops up, for example in electronics. The up to no strict specialization, perfected division of labor, and departmental struggles prevent overarching cooperation and creativity."

The introduction of computer-based process control must be regarded as a matter of priority for the decisive breakthrough in environmental protection. While formerly "discontinuous", that is production processes at any given time complete in themselves, determined the picture, today more and more enterprises are making the transition to continuous production processes.

An example from the especially energy-intensive and raw materials-intensive brewing industry (see also box on p 82): If up to now the brewing room was filled completely and, after the mashing, straining and sweet wort cooking,

was emptied again and cleaned, the computer now takes care of a continuous feeding of the input materials and a continuous withdrawal of the intermediate products: There already is a reduction of the cleansing agents that would otherwise flow into the waste water. Moreover, with microelectronics the processes can be run with considerably greater precision, and this means at the same time more safety--a reason for the fact that highly dangerous installations in the chemical industry now operate exclusively with such process technologies. Shell-chief Pohl: "Safety is also protection of the environment."

How one is also successful in this as an industrialist is shown by the 57-year old entrepreneur Josef Gruenbeck, who has specialized in microelectronically controlled water processing plant. The small businessman, whose factory in Hoechst (Kreis Dillingen) last year with 300 employees had a turnover of 40 million marks, gives away research and development contracts to smaller engineering firms and justifies this as follows: "What technician can still be creative in the daily racket?" His microelectronically controlled disinfection installations are not only anti- or low pollution, but they above all yield productivity effects. If, for example, only 1 millimeter of lime deposits in systems for water circulation can be avoided, there is an immediate saving of 10 percent in energy. And something like this is possible only with computer-controlled process technologies.

But insufficient market transparency, with which the environmental protection industry itself has yet to cope successfully in order to become a definite growth industry, today still frequently prevents the large-scale conversion of such knowledge. Hans-Ludwig Dreissigacker, department director in the Federal Ministry of the Interior: "To be sure, the suppliers can rely on a relatively assured market volume and in special areas find numerous possibilities of a strong market position. For market development, however, they need a comprehensive market overview with respect to volume, structure and probable development."

The manufacturers of conservation-minded consumer goods, too, must in this sense struggle with the market conditions.

Of what use are beautiful environment badges and pamphlets if even state institutions like the Foundation for the Testing of Goods to date only now and then take the environment aspect in their investigations because there is simply no money for the appropriate tests.

To be sure, now and then--as in the test of chain saws ("good, but intolerably loud")--there are hints for the consumers. But in the total program the environmental protection aspect is found under "they also ran". If--as in the sphere of energy savings, likewise to be viewed from the standpoint of environmental perspectives--special financial support for projects were available, "a great deal more could be done," according to Hans-Dieter Loesenbeck, editor-in-chief of TEST.

Especially when the increasing pollution of the soil is at issue, the investigation of household objects with respect to harmful substances should not be the exception, but the rule. An important aspect is also the possibility of later

recyclings of all sorts of consumer goods. Enamel covering, for example, prevents the reusability of household scrap metal.

But if stock-exchange operators frequently surmise trends ahead of time, then in spite of all inadequacies there could be an occasion for joy: In recent times investors have already massively placed their bets on industries which produce environmental goods. *HANDELSBLATT*, for example, registered "strong demand" for Degussa (catalytic converters), Sued-Chemie and Kali-Chemie (lime for damaged forest soils). The newspaper: "Whether catalytic converters, lime, pumps for the desulphuration of flue gas, whether insulators made of special porcelain for the use in electrostatic filter installations--the stock-exchange operators are putting their money on anything that in any way has to do with protection of the environment."

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## SYMPOSIUM EXAMINES ENVIRONMENT PROBLEMS, GOALS FOR 1980'S

Oslo AFTENPOSTEN in Norwegian 17 Oct 83 p 36

[Article by Georg Parmann: "Acid Rain and Noise Important Environment Tasks"]

[Text] Trondheim, 16 October. Pollution of soil and water, pollution and noise by automobile traffic, the effect of agriculture upon the environment, new industrial processes with many chemical substances, impoverishment of nature, and destruction of plants and animals are serious environmental problems which will be important in the 1980s. Even though many of the environmental problems we worked with in the 1970s will still be important, new areas in environmental policy will in the future demand the greatest attention.

This became apparent at a symposium on "environment protection in a shrinking economy" arranged in Trondheim. The KOMMIT [Committee for Environment Protection] of the Norwegian Technical College arranged the symposium.

While cleaning up of polluting discharges was the central problem during the 1970s, consideration for resources and the environment will now be included in formulation of industrial processes. Careless application of new technologies can produce new environmental problems, however, and therefore all thinking about the environment must be integrated in society's development processes. Michel Potier, chief of the OECD environment protection office, says in a conversation with AFTENPOSTEN that biotechnology is an area in which we must closely examine possible consequences before development on a large scale is initiated. "We cannot begin to study how we should tackle the possible problems of new microbes spreading in the atmosphere on the day we may be faced with a problem of this kind. To the extent possible we must in advance study the possible consequences of a new technology," says Potier.

At the symposium, research chief Goran Persson of the Swedish Nature Protection Agency, presented a review of the problems his group believes will be the most pressing during the 1980s. His list is headed by acidification of soil and water. This is followed by poisons in the environment, further impoverishment of nature, emissions and noise by automobiles, waste and recovery of resources, and environment problems created by other trades and businesses.

"While in the 1970s we worried about developments in our lakes and watercourses caused by the effects of acid precipitation, attention in the 1980s will be

concentrated upon its effect upon agriculture and forestry. We have seen drastic effects of acid rain upon forests in West Germany and elsewhere in central Europe. We now see symptoms in Swedish forests, dangerously similar to the first damage seen in West Germany. It is too early to say if this is really the effect of acid rain or whether we can find other explanations. Regardless of this, it will be a very important future task for us," says Persson.

Noise is an example of an environment problem we have been aware of for a long time, but we are only now beginning to realize its importance. Persson says that noise in cities and towns has increased by an average of one decibel per year during the past five years, road traffic being mainly responsible. Norwegian environment authorities have also assigned high priority to fighting noise pollution in the future.

Michel Potier agrees in general with the priorities established by the Nature Protection Agency as concerns future environment problems. He points out, however, that several nations consider noise one of the most serious environment problems we are faced with. In central Europe pollution of ground water and other sources of drinking water is still an important problem. Heavy metal pollution and problems with new chemical compounds and emissions of radioactive substances may also become growing environment problems.

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## COSTA DEL SOL SANITATION PLAN TO CHECK POLLUTANTS

Madrid DIARIO 16 in Spanish 13 Oct 83 p 23

**Text** The General plan for Integral Sanitation of the western Costa del Sol is one of the great challenges facing the Mancomunidad today. The cost of this project is estimated at 4.7 billion pesetas; it involves an 85 kilometer stretch of coastline; and it is hoped that with it 70 percent of the pollution along the shoreline will be eliminated by 1985.

The basic purpose of the Sanitation Plan is to prevent pollution, to eliminate as far as possible the risks entailed by the constant emptying into the sea of all kinds of wastes, which affects the composition of the sea water itself, its level of oxygen, its properties, its flora and fauna, and which--even more dangerously--can spread bacteria or viruses which are harmful to human health.

In awareness of this, and its great importance to health, the Mancomunidad conceived and developed the General Plan for Integral Sanitation for the western Costa del Sol. This plan was drawn up in 1971 by the Southern Hydrographic Confederation, and work on the pilot sectors of Fuengirola and Marbella in its first phase were completed 9 years later at a cost of 488 million pesetas.

At present the second phase of the project, the Fuengirola sectors: San Pedro-Estepona, La Cala and Arroyo de la Miel, are in the process of being carried out, at a cost of 1.9 billion pesetas.

Contracting for the remaining sectors, Arroyo de la Vibora and the second stage of Marbella, is expected to take place this year, and that for Benalmadena and Manilva in 1984, with completion of the plan in 1986.

The Mancomunidad is financing 50 percent of the cost of the project, and 100 percent of the appropriations, appraised at 100 million pesetas. The plan involves the cleaning up of 80 kilometers of coastline, which has been divided into eight sectors, plus a ninth, which contain seven purification plants with secondary treatment and digestion of sludges, and two extended oxidization purifiers, with a capacity to treat 300,000 cubic meters per day, and a yield of 90-95 percent.

In these areas a main sewer is being laid down, to which all the waste pipes are being connected, from those of the large establishments down to the smallest bars or stands on the beach. All the volume collected is sent to the purification centers, where it is processed until it is left in a pure enough condition to be put into the sea, through conduits which extend from 800 meters to almost a kilometer and a half in length, depending on the case, and which always end at a depth of 30 meters.

#### Sanitation Sectors

The areas do not exactly correspond to the townships, since sectors have been determined which are most suitable for the sanitation mechanisms, location of purification plants, and discharge of emissions. There are nine sectors in all, and all except Benalmadena have secondary treatment purification plants.

The Arroyo de la Miel sector is the first one we encounter as we proceed from Malaga toward Cadiz. It starts at the Saltillo arroyo, the boundary of the township of Benalmadena, and extends to the site called Punta Negra, taking in a whole coastal strip, and is equipped with a purification station with a secondary treatment plant.

The Benalmadena sector comprises three sectors: interior core, Torremuelle, and Torrequebrada. All three are equipped with extended oxidation purifiers. The Fuengirola sector also includes part of the township of Benalmadena, that of Fuengirola, and a sector of Mijas, starting at the Carvajal beach and ending at the mouth of the Fuengirola River. The sector also includes the sewer system for the wastes from the town of Mijas. Schematically, it consists of a main sewer located along the Paseo Maritimo beach, where the secondary and branch sewers which collect wastes from the northern part of the CN-340 discharge their outflow.

Cala del Monal takes in a coastal strip some 6 kilometers long in the township of Mijas.

The Arroyo de la Vibora sector includes a 14-kilometer coastal strip, and collects wastes from the townships of Mijas and Marbella.

The Marbella sector extends from the right bank of the Real arroyo to the left bank of the Verde River, and takes in a 10-kilometer coastal strip. This was the second purification plant to begin operation. Starting from the pumping station, there are two main sewers on the left and right of the pumping station mentioned, and it passes through the coastal and overland area. The San Pedro de Alcantara sector takes in 12 kilometers of the coast, from the right bank of the Verde River to the left bank of the Guadalmanza River, and includes part of the township of Estepona. Secondary branches with a total length of 14,000 meters are being constructed. The main sewer, which will run through the beach area, will be 23,900 meters long.

The Estepona sector collects material from the right bank of the Guadalmanza River up to the Guadalbon Arroyo.

The Manilva sector extends from the Guadalbon Arroyo to Chullera Point, to the boundary of Cadiz Province itself, and takes in a sector of the Estepona township and those of Casares and Manilva. It is approximately 14 kilometers long.

With this western Costa del Sol Integral Sanitation Plant, more than 85 kilometers of shoreline will have sewers installed, from the township of Benalmadena (Saltillo Arroyo) up to Chullera Point, at the boundary of Cadiz itself. This impressive project soon will begin to produce results in the most diverse fields, among the most important of which are tourism and the citizens' health and quality of life.

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